

The Weather
New York City and vicinity: Sunny, seasonably warm. Moderate northwesterly winds. Highest temperature in the low 80s. Yesterday's temperature range to 9 p.m.: High 87, low 70.

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10 CENTS U. S. Territory

Fibre Fray

Rayon, Nylon Men Spur
Ads, Research in Scrap
For Auto Tire Market

Nylon Cord Gains in Truck,
Replacement Fields; Rayon
Holds Wide New Car Lead

"Ace" Rolls Out of Nairobi

By HARLAN BYRNE
Staff Reporter of THE WALL STREET JOURNAL
Two heavily-loaded trucks and a jeep today will roll out of Nairobi, capital of Kenya, bearing explorer Adrian "Ace" Williams on a two-month African safari.

With scenic geography like Mount Kilimanjaro for background, Ace will be out to bag a few more trophies for his big game collection back home in Bronxville, N. Y. But between kills he'll champion a commercial cause by sending his motorized caravan over jolting and otherwise unnecessary detours such as dry, rock-studded river beds. If all goes well, you'll see testimonials by Ace in magazine ads relating the rugged service his vehicles got from rayon cord tires; one of the sponsors of the safari is American Viscose Corp., a major rayon cord producer.

Avisco will use Ace's testimonials as part of the rayon industry's new counterattack against its arch competitor, nylon. Rayon last year still accounted for 84% of all tire cord, but nylon's share had grown to 16% from less than 1% in as recent a year as 1951. At stake is a \$250 million-a-year market in tire cords. Both fibres, represented by shock troops of advertising men, researchers, and engineers, are out to win over the tire makers, Detroit's automobile producers and the nation's 30 million car owners.

Public Comes Out Ahead

Whichever side wins, the car owning public is likely to benefit. Both forces are now spurring their researchers to greater efforts to improve the tire cord qualities of their fibres. And the battle is growing intense enough to hold prices of tire cords, and consequently tires, down.

The cord in a tire, of course, is highly important to the car owner. "Actually, the cord is the tire," explains a U. S. Rubber spokesman. "The cord serves the same purpose as the bones in your body. The rubber is used to protect the cord, to provide a wearing surface and to provide the flex in a tire."

The cord is a loosely-woven fabric of yarn which when coated and impregnated with rubber forms a rubberized sheet called a "ply." Most passenger car tires have four plies while a big truck tire may have as many as 10 plies. A passenger car tire may contain anywhere from 1 1/2 pounds to 2 1/2 pounds of cord; a truck or bus tire, 10 to 14 pounds, while a big aircraft tire could require as much as 35 pounds of cord.

Bristly, nylon producers, such as E. I. du Pont de Nemours & Co. and Chemstrand Corp., claim nylon tire cords are far tougher than rayon, having twice the impact resistance of rayon, an important factor when you hit a chuckhole. Consequently, it takes only six-tenths of a pound of nylon to replace one pound of rayon tire cord. Nylon also absorbs tire strain better and its fibre resists moisture that seeps in through cracks or cuts in the rubber and weakens "ordinary" cord.

Rayon Answers

Rayon producers, such as Avisco, American Enka Corp., Beantit Mills, Inc., and Industrial Rayon Corp., are not letting the nylon claims go unanswered. They reply that rayon is strong enough for the average motorist's needs, a claim with which most tire engineers agree. Rayon also is cheaper than nylon, its best grade selling at 45 cents a pound, less than half of nylon's \$1.30. But because less nylon is used in each tire, the price of a nylon tire is only about 10% higher than that of a comparable rayon tire.

The rayon makers also note, rightly, that nylon cords suffer from a distressing tire disease known as "morning thumps." Because nylon is stiffer than rayon it has a tendency to "set" or form flat spots on the tread after a car has been driven a lot, then parked overnight. The spots usually smooth out after two or three miles of driving. But Detroit's automotive engineers are super-sensitive to "morning thumps." The auto engineers are also reported concerned by the whine and sing of nylon tires on the road.

Both sides are moving to protect their Achilles' heels, however. Nylon laboratories are working to correct nylon's morning thumps. And before long American Enka will announce a new rayon tire yarn reportedly with a tensile strength about 15% greater than any rayon presently used for tire cord and only about 10% less than nylon. This development, observes one tire engineer, "may help rayon stem the shift to nylon."

Some fibre producers are hedged against the outcome of the competition, no matter what it may be. DuPont, while pushing nylon hard, also is a major rayon producer. And rayon-producing American Viscose owns a 50% interest in nylon-making Chemstrand.

Dacron and Wire

Some tire makers are also experimenting with Dacron as a cord and with wire, which is used widely in European tires. But both developments seem to be some years off.

Tire cord makes up one of the biggest markets for synthetic fibres. Rayon makers last year spun out some \$77.7 million pounds of rayon fibre, of which some 335 million pounds went into tire cord. Some 64 million pounds of nylon was woven into the cord last year.

The battle for the tire cord market has been boiling for some time. Right after World War II rayon began invading the cord market then dominated by cotton. By 1951 cotton was nearly out of the picture. But about that time nylon began muscling in, getting slightly less than 1%, or about four million pounds of the cord market, in 1951. Nylon producers are predicting their share will rise to about 20%, or 30 million pounds, this year.

How seriously the rayon makers take the

What's News—

Business and Finance

STEEL MAKERS foresee high-level demand for the rest of this year and probably through the first half of 1958. Steel orders have gone down from the fast pace of early 1957. But they're holding up sufficiently to keep industry-wide output around 80% of capacity in a month generally expected to be the low for the year.

Producers look for an upturn in late summer as auto manufacturers start ordering steel heavily for 1958 models. And demand from this source is counted on to provide strong support for the steel market in the first five or six months next year. Steel men note auto company labor contracts expire around mid-1958. They feel the car manufacturers will be inclined to stock up dealers lest a stalemate ensue over union demands for a shorter work week.

Treasury Secretary Humphrey today starts conferring with leading bankers on new securities to be offered in exchange for nearly \$16 billion of maturing Government obligations. It seemed a foregone conclusion that the refunding would be conducted through short-term issues. Details will be announced Thursday. The operation is the last major task facing Mr. Humphrey before he turns over the Treasury post to Robert B. Anderson to become chairman of National Steel Corp.

Cement shortages stemming from strikes are forcing construction firms in the East and South to pay premiums for the building material ranging from 8% to 77%. But suppliers deny this means there's a "gray market" in cement—at least as of now. Most of the extra cost, they say, represents freight charges tacked on to regular selling prices as contractors scout for cement at mills unaffected by walkouts which have idled nearly half the nation's 170 cement plants.

House Democrats plan to seize the initiative from President Eisenhower on budget cutting and tax relief. They threaten to push through Congress a proposal to limit Federal outlays in fiscal 1958 to \$69 billion or even \$68 billion.

They're also talking again of starting work on a tax-reduction bill, to take effect January 1, 1958. These maneuvers would be the Democrats' answer to a recent secret White House order aimed at holding down spending to pave the way for G.O.P.-sponsored tax slashes.

Copper demand continues slow, with many consuming plants closed for vacations. Prices remained unchanged in the U. S. last week, but worked generally lower overseas. Spot copper declined a half-cent in London to 27 cents a pound. Trade circles were disappointed over Chile's delay in acting on a proposed cutback in production. Lower prices in London resulted in about a half-cent mark-down in the price charged by Katanga, the big Belgian Congo producer. Its new quotation is equivalent to 28.50 cents in Belgium and 27.6 cents in New York.

Federal housing officials put off a decision on lowering minimum down payments on F.H.A.-insured mortgages. A reduction was authorized by legislation which President Eisenhower signed over the week-end. Before it can be put into effect, however, the F.H.A. is required to find that such action is warranted by economic conditions. The Administration considers inflation the chief danger to economic stability, and there's strong feeling that more liberal down payment terms might add to inflationary pressures.

Company Notes—

Baltimore & Ohio Railroad—First half net eased to around \$4.37 a share, from \$5.03 a year ago, said Howard E. Simpson, president. But "we are hopeful," he added, that net for all 1957 will match 1956's \$7.80 a share.

Norwich Pharmacal Co.—Negotiations are under way for American Cyanamid to absorb Norwich Pharmacal and there are only "technicalities to straighten out," said Melvin C. Eaton, Norwich chairman.

Markets—

Strength predominated in Friday's dealings on the New York Stock Exchange. Dow-Jones Industrials approached the record high of 521.06, set April 6, 1956. They closed at 520.77, up 0.54%. Rails advanced 0.37% to 132.51 and utilities 0.73% to 71.70. Transactions amounted to 2,340,000 shares. London—Financial Times common share index 303.7, off 2.0.

Bonds — Volume \$3,960,000. Dow-Jones 40 bonds \$7.04, up 0.15; high grade rails \$7.05, off 0.08; speculative rails 35.13, up 0.16; utilities 86.47, up 0.23; Industrials 89.32, up 0.29.

Commodities — Dow-Jones futures index 180.75, off 0.01; spot index 184.34, off 0.34.

Earnings—

Qtr. June 30: —Net Income—Per Com. Shr.
Allied Chemical Co. \$11,000,000 \$12.75 \$1.25
Globe Southern Ry. 1,823,000 11.30 \$1.19
Liberty Southern Ry. 1,429,581 13.66 \$1.74
Savannah Electric 1,767,000 1.85 \$1.23
Western Maryland 1,500,000 1.85 \$1.23

—On share at close of period. —On previous share.

(Today's Index on Page 2)

World-Wide

SENATE SUPPORTERS of the civil rights bill split over a controversial section. Sen. Anderson (D., N. M.) said he is drafting an amendment eliminating a section which critics claim is aimed at "punitive" action against the South. It would strike part III from the House-passed measure and parallel an amendment offered by Sen. Russell (D., Ga.), leader of the bill's opponents.

Part III authorizes the attorney general to seek Federal court injunctions against violations of civil rights in general. Judges issuing these injunctions could enforce them with fines and jail sentences without jury trials.

Sen. Douglas (D., Ill.), like Anderson a supporter of the Administration measure, said he would fight any effort to amend part III. "The bill is OK the way it is," Douglas added.

Sen. Mundt (R., S. D.) predicted Eisenhower will stay out of the Senate fight over "neutral," has said he would offer a substitute bill striking out part III and including a so-called jury trial amendment. This would provide for jury trials in Federal court contempt cases where the facts are in dispute.

Russell charged civil rights pressure groups have convinced leaders of both parties they will determine the outcome of the Presidential election in 1960. He said the drive by some of these organizations—he mentioned particularly the National Association for the Advancement of Colored People and Americans for Democratic Action—is "shot through with politics."

MITCHELL SAID the Administration will draft proposed changes in the Taft-Hartley Act. The Labor Secretary told a TV audience the Administration hopes to have "a well-thought-through program" ready for Congress by the end of next year. There are no plans to junk the act, he added, but "there is a need for a complete review of all legislation having to do with labor and management relations."

Mitchell did not say what Taft-Hartley features should be overhauled or how sweeping the Administration proposals would be. Union leaders have fought unsuccessfully to get the law revised or repealed.

Mitchell said the Administration is counting on the glare of publicity, rather than administrative action, to force labor unions to "clean house." He called disclosures by the McClellan committee "a healthy thing."

The Senate inquiry into racketeering will resume tomorrow with John A. Barr, president of Montgomery Ward, as the first witness. He had requested an opportunity to answer testimony about his company's relations with President Beck of the Teamsters Union.

A King County (Seattle) grand jury indicted Beck and his son over the weekend, on charges of grand larceny in the sale of cars owned by the Western Teamsters Conference. Beck, branding the indictments as "simply ridiculous," said he repaid every bit of the money to the union.

Chairman Celler (D., N. Y.) of the House Judiciary Committee warned the Federal Communications Commission not to conduct field trials of pay-as-you-see TV without the express consent of Congress. Such tests, Celler added, contain a "calculated risk" to free television broadcasts. The F.C.C. has ruled it has legal authority to conduct field trials.

The body of the late Aga Khan will be flown to Cairo Wednesday night for burial at Awan in a mausoleum expected to become a pilgrimage site for Islamic Moslems. In Geneva, the Aga's sons, Aly and Sadruddin, laughed off reports they were estranged and that they have any hard feelings because Karim, Aly's oldest son, has been named Aga Khan IV.

Romania's Communist Party boss has reshuffled the government following the purge of two top "anti-party" leaders at a Kremlin, Radio Bucharest disclosed. Near Prague, Russian leaders Khrushchev and Bulganin conferred with Czech leaders in what Radio Prague called "a very friendly atmosphere."

Pakistan Prime Minister Suhrawardy said he is almost certain Eisenhower will give "strong backing" to Pakistan's formula for solving the bitter Kashmir dispute with India. It calls for a U. N. plebiscite to decide the future of the state. Suhrawardy, now in the Southwest on a tour of the country, spoke in a TV interview.

Egypt announced it is delivering an unspecified number of jet planes to Saudi Arabia—another step, according to Western observers, in President Nasser's campaign to patch up his quarrels with Arab neighbors. Partly as a result of the Eisenhower Doctrine, Egypt's relations with Saudi Arabia, Lebanon and Jordan have been strained in the last few months.

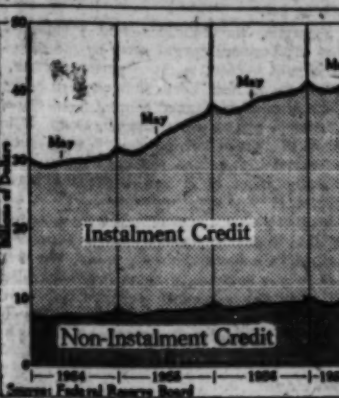
U. S. delegate James J. Wadsworth predicted U. N. action on Hungary "will be the beginning of the end" of Communism's appeal to the minds of men. He said in a New York speech Soviet ruthlessness has caused widespread resignations from Communist parties outside the Russian orbit and that in neutral nations "the appeal of Communism has faded."

The U. S. will resume its fight to keep Western trade with Red China at a bare minimum, Washington sources said, but arguments are likely to develop with Britain, France, West Germany and Japan. Representatives of 15 key trading countries are due to begin talks early this week in Paris.

Dulles will meet with leaders of new-gathering and publishing groups Thursday to work out a compromise proposal to allow newsmen into Red China. Washington sources said Dulles probably will announce an end to the travel ban by this weekend.

Eisenhower inspected his livestock and then spent an afternoon of relaxation with his grandchildren in his Gettysburg, Pa., home. This morning he will take another helicopter ride to a secret Civil Defense command post as part of Operation Alert, 1957.

Consumer Credit Increases



INSTALMENT CREDIT in May posted its largest monthly increase (\$209 million) so far this year, boosting total outstanding consumer credit to \$41.7 billion at the end of the month. Of this total, \$31.9 billion was instalment credit and \$9.8 billion non-instalment credit. Total outstanding consumer credit of \$41.7 billion in May was up \$692 million from a month earlier and \$2.8 billion from a year earlier.

Southwest Furniture Dealers Expect Rains To End Sales Drought

Retailers Stock Up at Dallas Market, Look for Farmers to Splurge in the Fall

By ROGER W. BENEDICT
Staff Reporter of THE WALL STREET JOURNAL
DALLAS — Southwestern furniture dealers expect the rains that broke a seven-year drought to start a rising stream of funds flowing into their parched cash registers.

This fond expectation, reflected in sharply higher dealer buying for inventories, contrasts with the generally less optimistic outlook of most other furniture sellers the nation over. The 1957 Summer Home Furnishings Market in Chicago three weeks ago was marked by manufacturers' price shading and retailer reports of slow sales.

Many home furnishings retailers from former drought areas reported here over the weekend as they packed for home after the Southwest Furniture Market that they are fattening up their emaciated inventories in preparation for an expected buying splurge this fall by farmers and ranchers, some of whom will have cash in their jeans for the first time in years. And manufacturers here said this brought a marked increase in their orders despite a slight downturn in buying by dealers in large urban areas. A sales deterrent in the cities: A generally lower rate of home building.

Spending Tide

A rising tide of spending in the Southwest would spill over to many fields besides furniture, of course. Hard-pinched auto dealers, appliance merchants, apparel shops and other retailers almost certainly would benefit, too. "A lot of customers have come in to look over our furniture and appliances the last few weeks, and have told us they'll be back as soon as they have a crop," draws L. F. Muehr, who operates a furniture store in Sugarland, Texas. "I increased my buying 25% over a year ago, and sales have already started to pick up."

R. B. Williamson, a broad-shouldered Texan towering well over six feet, who manages one of two V. L. Taylor Co. furniture stores in Amarillo, reports: "I delivered a couple of loads of furniture last week to people who wouldn't have had the money to pay for it before the rain brought on a good wheat crop. People already are buying goods as a result of the break in the drought, and I bought about 15% extra here to be ready for fall."

Seeing and Buying

A record total of 4,300 buyers came to the market this year to view the wares of 550 furniture manufacturers on display in three exhibits—Dallas' new municipal auditorium, a new \$4.5 million Dallas Furniture Mart, and a large building at the Texas State Fair here.

"Our orders at this market were 40% ahead of a year ago, and a big part of the increase came from dealers in former drought areas," says Robert L. Healey, regional sales manager for Burton Dixie Corp. of Chicago. "There seems to be a feeling of optimism running through the whole Southwest as a result of the rains."

M. H. Rothert, president of Camden Furniture Co. of Camden, Ark., also reports that "big orders from dealers in former drought areas" put his company's sales "a substantial percentage" ahead of last year's market. Other manufacturers, such as big Kroehler Manufacturing Co. of Naperville, Ill., say the increase in orders from dealers with rural markets offset a drop in sales in larger cities. "Our orders ran ahead of a year ago despite a drop in urban buying," says Irving Davis, president of Consolidated Furniture Industries of Houston. "A lot of these dealers from former drought areas didn't even bother to come to the market the last few years."

Paul Groce, Oklahoma territory salesman for Rush Manufacturing Co., Fort Smith, Ark., says, "The drought is broken in Oklahoma, and furniture dealers there all have a gleam in their eyes. Even though the rain knocked out a lot of the wheat crop, this is going to be a much better year than they've had for some time."

Some dealers and manufacturers, however, believe it may be a year or two before retailers benefit much from improved conditions in drought sections.

"Most people are still over their heads in debt, and they won't be in the market for much for awhile," says Monte Green, owner of Green's Furniture Co., Waxahatchie, Texas. "This rain should help, but I'm not going to increase my buying yet."

"The floods did more damage than the drought," reports deep-tanned Edmund A. Pepper, owner of Pepper's Furniture & Appliance Co., Pawnee, Okla. "I'm increasing my inventories now, but I don't think sales will improve much until 1958."

The Outlook

Appraisal of Current Trends
In Business and Finance

Why do we have anti-monopoly laws in this country? Obviously, because the American people don't like to be gouged in the prices they pay. Thus they dislike monopoly for the same reason they dislike inflation.

Indeed, the effects and symptoms of monopoly and inflation are very similar. Both manifest themselves in shortages and both manifest themselves in rising prices. Of course, one restricts supply and the other stimulates demand. Another big difference, in the past, has been that monopolies have been thought of as separate organizations, each confined to one product or one industry, whereas inflation, being a blowing up (in the sense of blowing up a balloon) of a whole nation's currency, is known to affect supply-demand and prices throughout the economic system.

But that second difference has been considerably modified, an economist suggested a few days ago. Edwin G. Nourse, once chairman of former President Truman's Council of Economic Advisers, told Senator Kefauver's anti-monopoly sub-committee that there are in the nation today "administered wages" as well as "administered prices." The latter phrase, readers may remember, was in wide use by Government officials some 20 or more years ago, and is intended to describe the situation in industries like steel, where prices are often set by management decision for long periods of time, and frequently do not fluctuate as do prices in an "open" market. Mr. Nourse suggested that administered wages and prices are both responsible for the current so-called inflation.

But there is actually a difference between administered prices and administered wages. Because of the anti-monopoly laws, those who announce prices do not withhold production except in consequence with reduced demand—as, for instance, is the case with this year's cut in steel mill operations to about 80% of capacity now. Furthermore, administered prices are often shaded to get business. Those who administer wages, on the other hand, withhold the services of their members whenever they believe it expedient. The laws against monopoly do not apply to them.

But the question whether a system of administered wages alone, or a combination of administered wages and prices, is responsible for the current upward price trend is dismissed as immaterial by another group of theorists. These people hold that money is at the root of inflation and that the heads of corporations and unions who are administering prices and wages upward are enabled to do so only by the supply of money. No wonder Sen. Byrd, after 14 days of Senate Finance Committee hearings, says the causes of the current "inflation" have not yet been identified.

The problems involved are numerous as well as technical, but it is possible here to give an idea of the more important ones. And the best way to start is with a good, precise definition of inflation. A reader kindly reminds this column of the definition of a group called the Committee on Economic Accord, made up of some 100 leading specialists on economic theory. They have defined inflation as "a change in the volume of circulating medium tending to reduce the purchasing power of the money unit."

The circulating medium in the United States is the total of demand deposits in banks plus currency outside the banks. This total has increased very slowly in recent years, much less even than has the nation's physical production, without considering prices. From 1923 to 1954 money supply increased less than 8%, while industrial production rose more than 15%. From 1947 to 1952, when Truman was President, the same thing was true—money up 11% while output expanded 24%.

Then how has the rise in prices, on top of an increase in physical output exceeding the monetary growth, been financed? Simply by use of a money supply which during World War II had grown far more rapidly than output and prices put together. From 1941 to 1947 money supply increased 130%, while gross national product, which is total output valued at current prices, grew only 34%. Much of the subsequent gain in output and prices thus has represented a catching up to the wartime inflation.

The question is whether only part or all of it represented such catching up. How long are we going to continue to blame an old inflation for current and any future price rises? By 1952 the rise in money supply since 1941 had begun to fall behind the corresponding increase in gross national product, money being up a bit less than 180% while GNP was up 175%. Since 1952, the money supply, as mentioned earlier, has gone up less than 8%, while physical output is up 15%, GNP up 20%.

That's been done almost wholly by turning over the money faster and faster. But a mere increase in the turnover of a circulating medium is not "a change in the volume," and thus does not fit the definition of inflation set forth a few paragraphs earlier. Then must we conclude that, the old inflation having taken full effect some years ago, something else is the cause?

Secretary of the Treasury Humphrey suggests one such factor may be the large portion of the nation's present economic activity which is diverted to the production of defense products, which "provide no additional goods whatever to match the increase in the spending stream" caused by Federal outlays on defense. That idea, however, must be questioned on the ground that such outlays are fully covered by taxes withdrawn from the spending stream. Mr. Humphrey would be right if there were a Federal deficit. But there isn't.

Related questions include the function of time deposits, which have grown faster than demand deposits and currency, but are not really part of the circulating medium; and the explanation, whatever it may be, for declining or sharply reduced prices for some commodities, including textiles and copper, in the face of widespread price advances for other things. These do not seem to square fully with either the theory of pure monetary inflation or with that of partial or full monopolies by management or labor unions. Does the answer then lie elsewhere, in a cause not yet identified?

GEORGE SHEA

Aircraft Stretch-Out

Overtime Ban Pinches
Workers' Budgets;
More Cutbacks Likely

Engineer Delays Buying Rugs,
Air Cooler; Auto Dealer
Complains of a "Blight"

Living on a 40-Hour Check

By THOMAS W. BURN
Staff Reporter of THE WALL STREET JOURNAL
LOS ANGELES — Mrs. Al Ignatowski, wife of a Lockheed Aircraft Corp. engineer, only a short time ago was shopping for carpeting for the living room and dining room of the family's tract home in nearby Canoga Park.

Mr. Ignatowski was pricing a small air conditioner for the front room.

Then Lockheed handed Al some bad news. In two steps the company cut his work from 45 hours to 40 hours, ending a three-year stretch of \$25-a-week overtime pay. The cuts reduced engineer Ignatowski's weekly take-home check to \$128.

Purchase Plans Delayed

"Our carpets and air conditioner were pushed way into the future," says Al, a veteran of nine years with the big air frame maker.

Thousands of aircraft workers throughout Southern California are giving their budgets the same hard scrutiny. They and the communities in which they trade are beginning to feel the impact of a recent Defense Department order chopping off overtime in military airplane building plants.

And the present belt-tightening is but a shadow of things to come. Aircraft industry officials expect a flurry of order cancellations, resulting in some unemployment and further reduction in workers' take-home pay. The Air Force last week cancelled development of North American Aviation's Navaho intercontinental guided missile, a move which the company says will idle 10,000 workers. Overtime trimming and the prospect of more order cuts result from pressures on the Defense Department to pare its spending; the Air Force, largest of the military spenders, has been ordered to knock \$1 billion to \$1.2 billion out of its 1958 spending plans. Overtime cutbacks and the Navaho cancellation will save only a fraction of the spending that must be eliminated. More Competition Foreseen

So far the main impact of the aircraft slowdown has been felt in Southern California; the Navaho cancellation, will hit the same area, since most of the work on the faster-than-sound missile was centered at North American's Downey, Calif., plant. Overtime has been reduced somewhat at some aircraft plants in the Southwest and East, but workers and the merchants they buy from haven't felt so great a pinch.

The slowdown also is expected to sharpen aircraft industry competition—with some big concerns bidding against smaller ones for subcontracting jobs—and stiffen union demands for higher pay. Already some union officials have said they'll bargain for pay hikes to make 40-hour pay envelopes as fat as the old overtime checks.

Overtime reductions and small cutbacks in employment so far this year have reduced earnings of Southern California's 278,000 aircraft workers by an estimated \$1.5 million to \$2 million a week. Although total aircraft employment in this plane-producing corner of the country is considerably higher than a year ago, the latest statistics available show May employment down about 1,600 from April. These figures, of course, don't take into account the Defense Department overtime order or the Navaho cancellation.

"Saw Handwriting on Wall"

Some companies had started to trim work schedules before the order to end overtime. "We saw the handwriting on the wall in January," says D. M. Wilder, Lockheed's director of industrial relations. Lockheed, which employs 33,500 persons locally, estimates that its overtime cuts affected 10,000 to 11,000 persons who, Mr. Wilder says, "are getting an average of \$25 per week less than they were before."

Convair division of General Dynamics Corp. reports that \$366,000 has been lopped off its weekly payroll at a San Diego plant as a result of the overtime cut.

Jack Hurst, president of United Auto Workers Local 887, says about half the union's 8,000 members in North American Aviation's Los Angeles air frame division lost varying amounts of overtime before and after the Government cut.

Douglas Aircraft also was seriously affected, according to union sources. "A majority of our 14,000 members were making between \$24 and \$60 a week overtime," says Robert E. Roberts, president of the International Association of Machinists District Lodge 720.

Smaller Concerns Also Hit

Shrunken pay checks are being pushed through the pay windows of smaller companies as well as the big ones.

"We've cut out all overtime except what's vitally essential," says an official of Ryan Aeronautical Co. near San Diego. "Before the cut we were working 25% of our 8,075 work force an average of about 10 hours a week overtime." These 2,000 workers draw about \$92 a week for 40 hours; the 10 hours overtime previously added about \$37 to their week's wages.

"The overtime cuts have been serious, because many of our people had been working overtime for so long they took it for granted and budgeted to include their expanded pay checks," says Machinist official Roberts. "We've been trying to get our members to budget for 40 hours' income a week," adds Mr. Hurst. "But they won't do it, especially if they can buy a TV set for nothing down except their promises to pay."

Individual workers are quite specific about the changes wrought by reduced overtime. "I got cut 1 1/2 hours a week," says Bob Anderson, a Douglas Aircraft jig and fixture builder. "It's costing me roughly \$2,000 a year." Mr. Anderson says he's had to dig into savings to pay for a second car for which he'd signed a sales contract before his personal

Please Turn to Page 11, Column 3

TERRY-SHIRT 'N SHORTS



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Strike Brings Cement Price Premiums of 8% to 77%; Higher Freight Charges Blamed; 'Gray Market' Denied

Construction Layoffs Grow; Accord Is Reached at 11 Plants of Ideal Cement

A WALL STREET JOURNAL News Roundup
The strike-caused pinch on cement and concrete supplies is forcing Eastern and Southern builders to pay premiums ranging from 8% to 77% above their normal costs for these key building materials—when they can get any at all.

But cement suppliers and builders deny this means there's a "gray market" in cement—at least as of now. Most of the extra cost, they say, represents freight charges tacked onto regular selling prices as contractors and concrete makers scout for supplies among faraway cement mills that haven't yet been hit by the walkouts.

Cement plants in Canada, Puerto Rico and the Midwest are the chief emergency supply sources for building projects in metropolitan New York, Boston and the Southeast, while some Pittsburgh plants are shipping cement into the Philadelphia area.

The abnormal shipping patterns are arising as the cement strike goes into its third week. Some 16,000 members of the United Cement, Lime and Gypsum Workers International Union now have left their jobs at nearly half the nation's 170-cement plants.

Construction Layoffs Spread

Layoffs of construction workers, which have already begun, are becoming more widespread as the strike drags on. The Building Trades Employers Association in New York said construction will be reduced by 30% in the city and on Long Island today because of the shrinkage of cement supplies, and a union spokesman estimated that 15,000 to 20,000 of the area's 150,000 construction workers have been furloughed. From Philadelphia came reports that many construction workers there may also have to be laid off. The cement strike has halted or delayed construction on highway, school, airport, apartment house and office building projects through the East and South.

In New York, the state Public Works Department reported 83 state highway construction projects of the 304 under way have been curtailed by the cement shortage, according to the Associated Press. An official estimated the figure would rise to 120 by July 22 and to 130 by July 29, if the strikes continue.

The 130 projects, including those wholly or partially shut down, involve a cost of about \$500 million. The official said the department was making a survey to determine where it would be feasible to substitute bituminous concrete for cement.

The weekend brought a settlement of the strike at 11 plants of Denver's Ideal Cement Co., but indications are that much hard bargaining lies ahead before other large companies will agree to new contracts.

Cement From Canada

Canadian cement makers are now offering carload lots of the material to contractors and transit-mix concrete operators in Connecticut at over \$4 a 94-pound barrel, with \$3.97 of that price representing freight costs. Pre-strike prices paid by Hartford concrete plants were \$4.51 a barrel, including freight from mills located closer to the area. "Transit-mix" companies mix concrete in their own plants and haul it to the job site in trucks which keep the mixture churning en route.

Concrete prices quoted to New York builders by the transit-mix suppliers will also go up today by \$2 a cubic yard. Previous prices had ranged from \$16 to more than \$20 a cubic yard, depending on strength.

Some cement made in the Pittsburgh area is reaching Philadelphia and New Jersey builders at a reported premium of nearly \$1 a

barrel over what these concerns had been paying for supplies from mills in the nearby—but now strikebound—Lehigh Valley. Builders note, however, that supplies of the Pittsburgh cement seem to be dwindling, and suggest that by next week contractors may have to pay even higher prices for what little they may be able to get.

Typifying the solutions—and problems—of other big builders caught short by the growing scarcity of cement is the experience of W. J. Barney Co. of New York. This concern brought in one carload of bagged cement from Canada to finish a job in New London, Conn. A bag equals 94 pounds, or one-fourth of a barrel. The carload contained 800 bags and cost the company about \$1 a bag above the normal price of \$1.30 to ship and unload.

"But it's worth it," said a Barney official. "A few thousand dollars extra expense is cheaper than shutting down a job. We would have to pay salaries of engineers, supervisors and other key personnel, pay rent for expensive machinery and face higher costs for concrete work during winter weather if delays are met now."

Who Pays?

Who pays the higher prices in the end? Builders say it depends on the construction contract. If the contract is a lump-sum arrangement, as in most public works, institutional and large projects, then the contractor pays the tab. Cost-plus or negotiated fee contracts put the burden on the building owner.

Some cement users are also turning to overseas suppliers to keep work going, but this could turn out to be a costly gamble. Importers of West European and Puerto Rican cement, for instance, are promising deliveries in two to four weeks to concrete making firms on the East Coast. But the concrete makers have to weigh the chance that if they contract for these supplies the U. S. cement strike could end while their high-priced shipments are still being hauled across the oceans.

Nevertheless, one Jacksonville, Fla., concrete mixer says he bought some "off-shore" cement about 10 days ago for \$1.12 a bag delivered and has contracted for another shipment from the same source at \$1.20 a bag. This user was paying \$1.04 a bag for domestic cement before the strike.

Some importers also report they are stepping up shipments from abroad. Louis Zinn, president of Port Everglades Steel Co., Port Everglades, Fla., said his firm ordered an extra 20,000 tons from Europe since the beginning of the strike and had another 10,000 tons on order. "The entire 30,000 ton shipment is either afloat or loading and will all be here by August 10," Mr. Zinn said.

Imports Are Boosted

Ponce Products, Inc., Miami, increased imports of cement from Puerto Rico and the Dominican Republic about 30% since last before the strike began, said Harold J. McCormack, executive vice president.

A number of cement users, however, may not be able to turn to alternative sources of supply even if they could afford higher prices, because of the rigid specifications on some building jobs.

For instance, Savin Construction Co., Hartford, Conn., by Wednesday will run out of the cement it's using to pave stretches of the state's new turnpike, but says it isn't buying from other sources. An official explains that cement it might obtain from sources other than its normal suppliers might not match the material it's using now in strength and color characteristics, which are important on a strictly-controlled state-government job.

The only "profiteering" taking place among sellers of cement is on scarce bags in relatively small lots, builders say. In the New York metropolitan area and in New England bagged cement is not available in any quantity. A spokesman for Hudson Builders Materials, Inc., Jersey City, said lumber yards and hardware stores were understood to be offering their supply at premiums up to double the normal price of \$1.30, but much of this was being taken by home-builders.

A Problem for Small Outfits

"We are out of bags and we'd buy all we could from Canada or the Midwest," said a spokesman for Hudson, "and pass the extra cost on to the customer. But small outfits like us can't go outside our normal areas and we couldn't boost prices to regular customers now or they would never come back after the shortage."

A Dedham, Mass., contractor said the going price of cement in the last week rose to \$1.80 from \$1.40 a bag but he said the price didn't mean much because there was little being offered.

Reports from Chicago, St. Louis, Cleveland and other Midwestern cities state no price rises are being put into effect since many mills in that area are operating. Woerman Construction Co. of St. Louis is "having no trouble at all" getting all the cement it wants, said President Earl Salveter. "In fact there are complaints by manufacturers and suppliers of an oversupply," he noted.

In Pittsburgh, where three of the four cement producers are organized by the United Steelworkers of America, effects of the shut-downs are minor. And despite the reports that cement from that area is reaching Philadelphia and New Jersey, Pittsburgh contractors say that chances these shipments will get very heavy are slim, even though many offers for cement are coming in "at fancy prices." The contractors note that if the Pittsburgh mills accepted many of these offers they would risk a sympathy walkout by the steel union, which is currently operating under a three-year contract in cement plants.

On the strike front itself Joseph Finnegan, head of the Federal Mediation and Conciliation Service, which has arranged several conferences with union and company officials this week, said in Washington that the dispute "ought to resolve itself within a reasonable length of time" because of "economic pressures within industry and union circles." Consequently, he said, he saw nothing that would justify White House intervention in the strike now.

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Montgomery Ward, Teamsters Tentatively Agree on New Contract

By a WALL STREET JOURNAL Staff Reporter

CHICAGO—Montgomery Ward & Co. and the Teamsters Union have reached tentative agreement on a new contract following a new offer by the company Friday, it was reported. Details of the new offer were not disclosed and may not be released for two weeks. The Teamster negotiating team is to convey the new offer to the locals across the country which will vote on it.

The negotiating session was the longest since the talks started, beginning at 10:30 a. m. Thursday and running until 1 a. m. Friday morning.

Talks between Ward's and the Teamsters started in mid-May. The old contract expired June 1. The union originally asked for a 25-

cent-an-hour wage boost, time-and-a-half for all work beyond 40 hours weekly, revision of arbitration and seniority clauses and improved health, welfare and pension programs.

Washington Square Village

NEW YORK—(AP)—A new residential community covering a six-block area south and east of Washington Square in lower Manhattan was announced. The project will be named "Washington Square Village" and will have 1,204 rooms, providing accommodations for 2,004 families.

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Top House Democrats Map Plan to Grab Initiative From Eisenhower on Budget Cutting and Tax Relief

Maneuvers Would Be Answer To Secret White House Economy Directive

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Important House Democrats led by Speaker Sam Rayburn, are laying plans to seize the initiative from President Eisenhower on budget cutting and tax relief.

As a result of new White House economy moves, the Democrats are threatening to push through Congress some proposal to limit Federal spending in the new fiscal year to \$69 billion or even \$68 billion. In addition, they're talking again of starting action of a tax reduction bill, with a likely January 1, 1958, effective date.

The spending and tax maneuvers would be the Democrats' answer to a recent secret White House order to Mr. Eisenhower's Cabinet to hold spending, so far as possible in the current fiscal period, to the \$70 billion level of the year that ended June 30. If successful, this would mean nearly a \$2 billion reduction in the President's original 1957-58 budget.

The text of the Presidential economy directive, signed by Budget Director Brundage, was published in last Wednesday's Wall Street Journal. As word of the order got around, House Democrats interpreted it as an administration maneuver designed to put them on the spot on the budget issue and pave the way for a Republican-sponsored tax reduction next January.

Rayburn Hits the Ceiling

Mr. Rayburn hit the ceiling, calling Mr. Eisenhower's economy order "the most amazing thing I have ever heard of in my life." Chairman Cannon (D., Mo.) of the House Appropriations Committee temporarily discontinued further hearings on fiscal 1958 money bills. His committee has no basis on which to act, Mr. Cannon said, since the Administration has "repudiated" its own budget.

Mr. Cannon started making plans for putting through new budget reductions, and Democrats in general began thinking in terms of cutting taxes. The Missouri lawmaker said the economy maneuver might take either the form of a specific limit on spending—for example, \$68 billion or \$69 billion—or, as an alternative, he might try to cancel some appropriations already voted and, thus, force the White House to cut spending.

The Democrats, of course, aim to place a Democratic label on any tax reduction that Congress may enact next year. Though nothing definite on taxes had been planned as of yesterday, one well-informed House Democrat said he thinks Democratic members of the

Ways and Means Committee may get together within the next few days to map their strategy.

Getting the Jump on Eisenhower

In no event, however, does it seem likely that Congress will send a tax reduction bill to the White House this year. Rather, the Democrats were thinking in terms of maneuvers to get the jump on the President. They were talking, for example, of starting hearings on tax reduction, or perhaps sending a bill to the Senate.

Two Democrats in particular were trying to restrain their colleagues on the tax cut question. Chairman Cooper (D., Tenn.) of the Ways and Means Committee and the influential Rep. Mills (D., Ark.) favor postponing action on tax relief until next year. They would, however, agree to start hearings this session or during the fall recess. Speaker Rayburn may lay down party policy on this question within the next few days and Democratic strategy will be based on whatever he decides.

Ironically, the new Democratic uproar developed just as the economy issue was dying down on Capitol Hill and everyone had just about dropped thoughts of cutting taxes this year. The economy mail from back home had slowed to a trickle and pre-spending mail was on the rise. The Democrats had stopped worrying about Mr. Eisenhower's getting ahead of them on tax cut proposals because of high spending projected for the fiscal year that started July 1 and because Washington, currently is suffering from a severe case of inflation jitters.

But following disclosure of the new economy order, the ticklish tax-economy issue blew up again. Said Mr. Cannon: "We have already cut appropriations requests almost \$4.5 billion and we could have cut much more if we had known they were going to try to run this year on the 1957 budget basis."

"Duplicitous" Is Charged

On Friday, Atomic Energy Commission witnesses journeyed to Capitol Hill to support A.E.C. appropriations requests amounting to about \$500 million above fiscal 1957 levels. "When we questioned them," Mr. Cannon told newsmen, "they acknowledged they had been told not to spend more than they did in 1957. It amounted to duplicity. It's the most astounding thing I've ever known." The A.E.C. officials were dismissed until lawmakers could clarify the picture.

Rep. Albert (D., Okla.), House Democratic whip, declared that if the Administration intends to cut back spending after asking for bigger appropriations, "it's going to be difficult to give them what they want for foreign aid." The foreign aid money measure is one of the few still pending in the House. Mr.

Albert argued the economy directive has "taken away from us the ability to say to the House that we can have confidence in the budget estimates sent up here by the White House."

The Postal Pay Boost

Backers of legislation to increase postal workers' pay \$330 million a year reported they had secured the required 218 members' signatures on a petition to force the bill to a House vote. This rarely-succesful petition procedure would automatically bring the postal pay bill up on the House floor for a vote later this month. Most House members say there's little doubt the House will pass it. And if Senate passage follows, Mr. Eisenhower almost certainly will veto it.

Signs of a reversal in Congress' earlier economy wave also showed up in the Senate. On Friday, the Senate Appropriations Committee for the first time this year voted to go above the budget recommendations on a fiscal 1957-58 money bill. In this instance, the lawmakers voted \$584.2 million for the Army Corps of Engineers and Interior Department's Bureau of Reclamation. This was nearly \$70 million above the House-approved figure and \$7.7 million above the budget request.

Rep. Ikard (D., Tex.) a member of the Ways and Means Committee, said "it's an open secret the Administration will propose a tax cut." He added that he feels the committee "should hold hearings and develop some preliminary plans."

However, Mr. Rayburn said the whole subject is still in an "embryonic" stage. The Democrats' immediate reaction was to have the Appropriations Committee take some action this week to regain the economy initiative. But yesterday Mr. Cannon said he believed action would more likely come just before Congress adjourns, probably as an amendment to the last appropriations bill. He apparently reasoned this would make it practically veto proof.

House Republicans defended the Administration's attempt to hold spending to last fiscal year's level and chided the Democrats for attacking the President's efforts to hold spending down. At one point, House G.O.P. Leader Martin of Massachusetts demanded to know what side the Democrats are on — for or against economy.

However, some of the Republicans, including Rep. Taber of New York, ranking minority member of the Appropriations Committee, indicated they would support a spending ceiling — if it's not too high.

Even as the lawmakers professed to want to cut spending, they showed additional evidence of the spending urge.

Technical Tax Measure Faces Delay in House Due to Group's Action

Leaders Decide on Postponement Because of Exception That Permits One Amendment on Floor

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — A far-reaching technical tax bill has run into trouble that could delay House action.

The measure, originally slated to come up for a House vote today, might not be acted on for several weeks due to a House rules committee decision.

The bill, approved by the House Ways and Means Committee last month, covers such subjects as the tax treatment of bonds, pensions, annuities, partnership earnings, mineral properties and many other types of income and investments.

The Rules Committee, in clearing the bill for House action, said that amendments to the bill on the floor would be barred with one exception: Rep. Curtis (R., Mo.) could offer an amendment to knock out of the bill a section which would tighten the estate tax treatment on certain insurance policies.

Leaders of the Ways and Means Committee have decided as a result to postpone for the time being a House vote on the legislation. They say the exception granted Mr. Curtis puts in a bad light back home several other committee members who opposed other provisions in the tax bill but neglected to ask the Rules Committee for a chance to knock them out on the House floor. Particularly is this true for Congressmen from community property states who object to a provision tightening the tax treatment of retired people in these states.

Accordingly, the committee leaders are trying to get the rules group to reverse itself. In the meantime, the tax bill is to be left on the House calendar. Some members thought it might remain there quite a while.

The Ways and Means Committee agreed in principle on another bill to crack down on employers who don't pay over to the Government the income and social security taxes they withhold from their employees' paychecks.

Treasury officials estimate that more than \$300 million is already owed in delinquent taxes from such employers and they want to pre-

vent the growth of this practice in the future. An Administration-proposed bill would require delinquent employers to set aside in the future in a separate bank account the taxes withheld each payday, and would make it an automatic misdemeanor to fail to do this. Present law in effect requires a finding that the employer willfully failed to pay the money to the Government before the employer can be punished. The courts have generally taken a very narrow view of what constitutes "willful" failure.

The committee discussed the bill Friday, agreed it was a good idea, but ordered the staff to adopt some clarifying technical language. Members said they had little doubt the bill would be approved as soon as the staff work is completed.

Phillips Petroleum Brings In Test Well in Gulf of Mexico

BARTLESVILLE, Okla. — Phillips Petroleum Co. announced it has successfully tested a new field exploratory well in the Gulf of Mexico.

The A-2 well flowed at a rate of 673 barrels of crude oil daily through a small choke from 8,663-724 feet. The test indicated gas-oil ratio of 700 to 1, the company said. The well is located on a 5,000-acre federal lease block in the Eugene Island area, 40 miles off Louisiana's St. Mary Parish. Phillips owns full interest in the block.

Zenith Expands '58 Line of Record Players, Combinations

CHICAGO — Zenith Radio Corp.'s 1958 model line of high fidelity record players and radio-record player combinations has been expanded to 14 basic models from eight in 1957, the company announced.

The variations in color and cabinets total 28, compared with about 18 in the 1957 line. Suggested prices in the new line, now being shipped to distributors, range from \$99.95 for a table model record player with three speakers to \$425 for a console combination in a traditional cabinet.

Six of the basic models are in Zenith's new "decorator" line, which has cabinets in provincial, contemporary or traditional styles.

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ILA to Try to Win Lakes Longshoremen Away From Rival IBL

Move Called Prelude to Opening of Seaway in 1959; ILA Claims Support From Teamster Union

By a WALL STREET JOURNAL Staff Reporter

CHICAGO — The Independent International Longshoremen's Association said it will open a drive to win Great Lakes pier workers away from another union.

The I.L.A. move, to be launched at its convention here this week, will be a prelude to the opening of the St. Lawrence Seaway in 1959, an event expected to spur shipping in the lakes region, say longshoremen.

In making a bid to organize the longshoremen, the rival I.L.A. will face the A.F.L.-C.I.O. International Brotherhood of Longshoremen, a union already representing about 95% of Great Lakes pier workers. The established I.B.L. was chartered by the American Federation of Labor in 1953 after the I.L.A. was ousted from the federation on charges it was dominated by racketeers. Since then, the I.B.L. has failed in three successive attempts to replace the I.L.A. as bargaining agent for New York longshoremen.

A spokesman for the I.L.A. said his union offers Great Lakes longshoremen better wages, fringe benefits and working conditions than the I.B.L. "We don't feel we'll have much trouble at all in organizing the longshoremen," he added.

The I.L.A. also claims the support of the International Brotherhood of Teamsters in its organizing move. The Teamsters have been friendly with the I.L.A. for years despite the fact that both the Teamsters and the I.B.L. are members of the A.F.L.-C.I.O.

About 40% of the I.B.L. membership of 15,000 works on the Great Lakes. The I.L.A., which claims 80,000 members, dominates the Atlantic coast and Gulf of Mexico.

A spokesman for the I.B.L. disputed the I.L.A. claims. He said that the I.B.L. was formed by Great Lakes workers who were disgruntled with the I.L.A. The I.B.L. not only expects to keep its Great Lakes membership, he indicated, but hopes to expand it. This will be discussed at an I.B.L. convention slated to open in Chicago next Monday.

The I.B.L. recently concluded wage contracts in Chicago and Duluth, Minn., which could hamper I.L.A. organizing efforts. The I.L.A., on the other hand, has organized pier workers in Toronto, which is expected to be a key port when the St. Lawrence Seaway opens.

Officials of three Great Lakes stevedoring firms near Chicago, commenting on the I.L.A. move, said there is little indication the union is doing more than making noise over the situation. One commented, "There is little agitation among I.B.L. men" for a change.

An official of another Great Lakes firm concurred: "There are loud noises but little action. There's no indication there will be any trouble despite I.L.A. threats to take over every port." The I.L.A. represented Great Lakes longshoremen before it was ousted from the A.F.L.

Another factor is the International Longshoremen's and Warehousemen's Union, an independent group representing West Coast pier workers and led by Harry Bridges. The I.L.W.U. has said it has no plans to organize Great Lakes workers. An official remarked: "We have no interest in the Great Lakes. We're busy enough here."

Nevertheless, some observers still feel the I.L.W.U. views Great Lakes pier workers with interest. In addition, the Teamsters are reported to have warned the I.L.W.U. to stay away from the Great Lakes area.

Kellogg to Resume Full Production Today After Settling 40-Day Strike

BATTLE CREEK, Mich. — Kellogg Co. expects to resume full production at its main plant here today following the settlement of a 40-day strike by Local 3, American Federation of Grain Millers.

The company resumed shipments Saturday shortly after union members ratified a two-year contract that is retroactive to April 1. The strike, which idled 4,300 production and office workers, began on June 4. It had resulted in short supplies of some Kellogg breakfast foods on grocery shelves.

The settlement provided for a general wage increase of seven cents an hour, retroactive to April 1, for the first year and a further seven-cent boost on April 15, 1958. The company also granted increases of seven cents for men and nine cents for women, effective last Saturday. It agreed to discontinue a plan that provides bonuses to employees at the year end on the basis of reduction in waste material. The \$400,000 accumulated in the bonus fund will be distributed among the employees.

The agreement also provided that workmen in the packing department will vote tomorrow on whether to return to an eight hour work day from the present six hour day. In the last such vote 47% were in favor of the eight-hour day, according to a company spokesman. Kellogg said that it made slight modifications in work standards in the new contract. Work standards had been described earlier by the union as a major point in the dispute. However, both sides said they were "entirely satisfied" with the settlement.

Kellogg already has reached agreement at other plants in Omaha, Neb., and in Canada and still is negotiating at Battle Creek with Local 480 of the International Printing Pressmen's Union which represents some employees in the carton printing department. The pressmen's contract has been on a day-to-day basis since April 15.

Philadelphia Steel Scrap Dealers Estimate Prices Are Down \$2 to \$3

By a WALL STREET JOURNAL Staff Reporter

PHILADELPHIA — Scrap dealers here finished a quiet week figuring that prices on the No. 1 steel making grade might have dropped as much as \$3 a ton without a good test of the market.

"Business could be done for \$2 or \$3 lower for the heavy grade," said one. This would put the price of No. 1 scrap between \$33 and \$34.

Another dealer, however, said, "The market's probably slipped, but I wouldn't have any idea how much. There haven't been any sales to test it." The last major sale of heavy melting scrap was made early in the week at \$36 a ton.

Dealers generally felt that customers were working off inventories of scrap and waiting to see if the market would drop. "They're sitting on their hands waiting, apparently feeling that they'll be able to buy for less," said one dealer. "We expect July to be a slow month, but this is even slower than usual."

Another dealer estimated there would not "be real good test of the market for 10 days or so."

Plant Vacation Shutdowns Boost Jobless Pay Claims

WASHINGTON — Plant shutdowns as the vacation season began pushed the number of workers seeking unemployment insurance up by 104,000 to a total of 335,300 during the week ended July 8, the Bureau of Labor Statistics reported.

The agency said the rise in initial claims followed the normal pattern for the first week in July. For the like week of 1956, claims rose by 101,000 to a total of 316,700.

The bureau said the rise was chiefly due to the filing of claims by workers who are ineligible for plant pay during the vacation shutdowns. Seasonal cutbacks in the textile, clothing and food processing industries and temporary layoffs in the auto industry, also contributed to the increase.

Insured unemployment dropped to a new 1957 low during the week ended June 19, the agency said, declining by 61,100 to a level of 1,176,300. The total for the like week of 1956 was 1,091,300.

Lumber Shipments Increase

WASHINGTON — Lumber shipments of 476 million reporting to the National Lumber Trade Barometer were 19.5% above production for the holiday week ended July 6. In the same week new orders were 27.8% above production, unfilled orders amounted to 33% of stock. For reporting softwood mills unfilled orders were equal to 19 days' production and gross stocks equalled 54 days' production.

During the month of May national production of lumber totalled 3,950,000,000 board feet, according to the National Lumber Manufacturing Association. The May output was 3% above April, 1957, and 11% below May of last year. Total shipments by lumber manufacturers in May were 3% above April, while new orders were up 4%.

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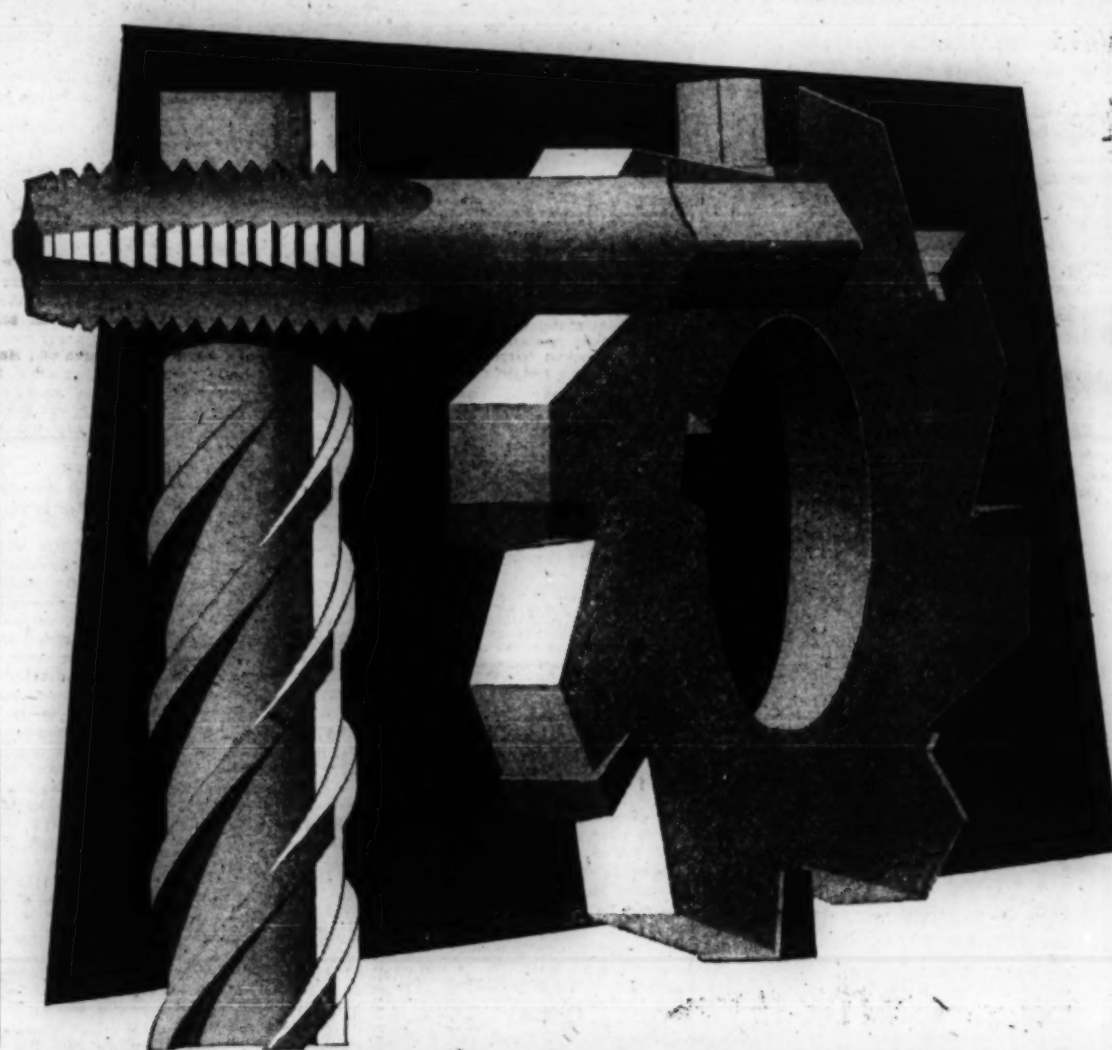


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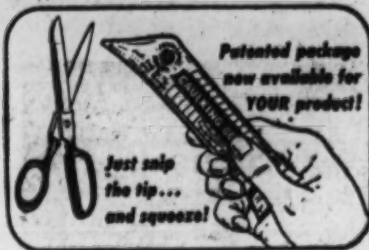
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This advertisement appeared in The Wall Street Journal for Week of July 15, 1957.

News for Marketers of Liquid and Viscous Food, Industrial, Household and Other Products



RECENTLY PERFECTED in collaboration with Film Products Group, Minnesota Mining & Mfg. Co., revolutionary new Johnson's "Handispensers" of 3M "Scotchpak" heat-sealable polyester film are now available for packaging liquid and viscous food, industrial, household and other products.*

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More San Francisco Metal Plants Close in Dispute With Machinists

Impact of Shutdowns Varies;
Five Concerns Reported
In Accord With Union

By a WALL STREET JOURNAL Staff Reporter

SAN FRANCISCO—Machinists union strikes and employer shut downs closed more companies in the metal trades industry in this area.

An employer spokesman said over the week end that 127 plants had been closed, and the number was expected to climb quickly to 135, throwing a total of 7,000 machinists out of work. The union said it knew of only "approximately" 85 plants affected, idling some 6,000 workers.

The labor dispute broke out in master contract negotiations between the California Metal Trades Association, representing 150 concerns in four San Francisco Bay area counties, and eight lodges of the International Association of Machinists with a membership of 8,000.

The Machinists struck a total of nine concerns earlier this month when negotiations over wages and sick leave provisions reached a stalemate. The employers' association last Wednesday called on its members "to close down their operations in support of our fellow members who have been struck by the I.A.M."

Larger Companies Close

By the week end the dispute had halted production at a number of larger C.M.T.A. member companies, including Schlage Lock Co. and Ampex Corp., each employing 1,200 members. However, more plants employing other craft unions besides the Machinists continued to operate.

Consolidated Western Steel division of U. S. Steel Corp., with an estimated 40 machinists and 200 boilermakers, said it was unaffected.

In addition, R. R. Grunsky, managing director of the C.M.T.A., said six companies had withdrawn from the employer group in order to deal separately with the Machinists. He said five of these employing a total of 50 workers, mainly tool and die shops, had signed with the Machinists.

The other company, Crown Cork & Seal Co., Inc., Western division, a producer of caps and seals, was still in operation with approximately 350 workers, the union said, although no new contract had been signed.

The employer group does not consider its action a lockout, but is proceeding on the basis that the strike against one is a strike against all. It has idled Machinists, but told

workers in other craft unions, an estimated 5,000 to 6,000, that work will be provided for them as long as there is no shortage of parts. Mr. Grunsky said the C.M.T.A. undertook its action after the union's strike "with our eyes wide open. We've always taken the position it's too serious to shut down for one or two days."

Anthony Ballerini, business manager of Machinists Lodge 1327, said: "We came down, but they haven't given a thing." However, Mr. Ballerini said the union has no plans to picket plants that employers closed. It is picketing only the nine plants originally struck by the Machinists.

At issue is the union's demand for a 30-cent to 35-cent an hour wage increase and provision for sick leave. The C.M.T.A. has offered a 6% increase, or approximately 11 cents to 15 cents an hour, in the first year of a two-year contract; a 3% increase in the second year, plus a cost-of-living adjustment. The employers group has said it does not wish to negotiate on sick leave or other fringe items. The old contract expired July 1.

A C.M.T.A. staff member said that an estimated 10 forge shops in the area employing some 300 workers could be affected if the dispute lasted long enough so "dies get in such shape that they can't be operated."

Impact Varies

Comments from spokesmen for individual companies indicated a varying impact of the shutdown.

A spokesman for Federal Pacific Electric Co., which produces power transmission equipment, said that plant production is currently suspended during a two-week vacation period and that to date his company's customers have not felt any shortage. He predicted that 300 to 350 of the company's 550 employees will be affected when they return to work tomorrow.

L. W. Stettner, president of Victor Equipment Co., a producer of welding equipment and alloy rods, said all production is at a standstill and 200 employees are out of work. He estimated that current stocks would hold up for at least a week, but after that some 100 dealers and distributors of the company's products would be affected.

David Golden, vice president of Schlage Lock Co., said "our customers aren't getting their orders. How it will affect sales is the \$64,000 question. It will curtail sales to an extent."

Most of the plants involved in the strike-shutdown are small operators. A C.M.T.A. spokesman said 75% of the companies it represents employ 25 or fewer workers.

Business Milestones

Norwich Pharmacal Says
It Talks Merger With
American Cyanamid

Terms Are Put at "Around" Three
Shares of Cyanamid for Four
Shares of Norwich

A WALL STREET JOURNAL News Roundup
Negotiations are underway for American Cyanamid Co. to absorb Norwich Pharmacal Co. and there are only "technicalities to straighten out," Melvin C. Eaton, chairman of Norwich, said at his home in Norwich, N. Y. The merger would be subject to approval of stockholders of both companies.

Lawyers for the two companies were working on the technicalities yesterday, and a joint announcement by the two concerns will be made if the technicalities can be resolved, Mr. Eaton said.

Terms of the merger proposed by American Cyanamid would be "around" three shares of American Cyanamid for four shares of Norwich. American Cyanamid closed Friday on the New York Stock Exchange at 46½, and Norwich closed at 27½, after hitting 33, its high for the year.

Kenneth C. Towle, president of American Cyanamid, said at his home in Greenwich, Conn., that talks have been going on with Norwich and that he would make a statement on the negotiations today.

American Cyanamid was formed in 1907 to manufacture calcium cyanamid. Today it makes a diversified line of chemical, pharmaceutical and allied products. Its three most important operating divisions are Lederle Laboratories, Organic Chemicals and Industrial Chemicals, with products ranging from antibiotics and vitamins to synthetic rubber ingredients and plastics and resins.

Norwich Pharmacal, formed in 1899, manufactures a broad line of pharmaceutical products, including Pepto-Bismol and Unguentine. Its primary divisions are Eaton Laboratories, making pharmaceuticals; and the Chemical division, which makes additives for animal and poultry feeds.

For the year ended December 31, 1956, American Cyanamid reported net income from operations of \$44,247,153, equal to \$4.21 a share on 10,308,013 shares outstanding. The company also reported extraordinary gains equal to \$1.08 a common share from sale of its Gloucester City plant and capital stock of Chemical Construction Corp. Sales in 1956 totaled \$500,631,379.

Norwich Pharmacal reported earnings for 1956 of \$3,373,954, equal to \$3.59 a share on 939,633 shares outstanding, and sales of \$29,806,731.

American Cyanamid reported earnings for the quarter ended March 31 this year rose to \$13,122,758, equal to \$1.34 a share from \$12,301,689, or \$1.18 a share, in the like period of 1956. Sales for the quarter rose to \$132,125,370 from \$127,782,934 in the year-earlier period.

Norwich Pharmacal's net income in the first quarter this year totaled \$788,000, equal to 81 cents a share, on sales of \$9,900,562, against earnings of \$619,184, equal to 66 cents a share, on sales of \$8,283,516 in the first quarter of 1956.

**Industrial Enterprises
To Acquire United
Specialties for Stock**

By a WALL STREET JOURNAL Staff Reporter
CHICAGO—Industrial Enterprises, Inc., New York, plans to acquire United Specialties

Co. here by an exchange of stock, the companies announced.

Industrial Enterprises plans to issue 117,000 common shares in exchange for United Specialties stock on the basis of three-quarters of an industrial share for one of United. United has 150,000 shares outstanding. Directors of both concerns have approved the plan.

John T. Beatty would remain president of United, which would be operated as an "autonomous division" of the Eastern holding company. Mr. Beatty said three of United's directors would be elected to Industrial's board.

The transaction is still subject to approval of United's stockholders. The company expects such stockholders' action will be taken in the next six weeks.

"We have had rather poor earnings the last three years, but excellent book value and a nice balance sheet," Mr. Beatty said. United, which makes industrial and automotive air cleaners and screen porches, earned \$2,163 on sales of \$11.4 million. Industrial Enterprises is short of factory floor space, Mr. Beatty said, and United needs development of distribution for its products.

Industrial Enterprises, successor to the D. Emil Klein Co., New York, has pursued a policy of diversification and expansion since October, 1955, when it acquired the stock of Fleet Carrier Corp. It acquired the Milwaukee Crane division in April, 1956, and Vincennes Steel Corp. last December.

Industrial Enterprises' sales in 1956 totaled \$14,623,390 on a pro forma basis.

**Atlas Powder Plans to Spend
\$4 Million on Nitrate Facility**

WILMINGTON, Del.—Atlas Powder Co. said it plans to spend about \$4 million to replace nitric acid and ammonium nitrate facilities at its Atlas, Mo., plant.

Ralph K. Gottshall, president, said work would begin immediately on the new units, with completion scheduled for March 1, 1958.

D. J. Carroll Goppa, senior vice president in charge of the company's explosives division, said the company has been "hard pressed" to meet requirements for nitric acid and ammonium nitrate "for some time." The new units, said Mr. Goppa, "not only will enable us to meet our own immediate needs more efficiently, but also will provide additional capacity that will permit us to offer some of our products for sale to industrial customers."

The company did not disclose capacity of the new units, but they will be "self-sustaining," the first of this type to be erected in the country, according to Atlas. In this type of unit, energy released from the burning of ammonia is recovered to provide full power requirements of the system. Chemical & Industrial Corp., Cincinnati, was awarded the contract for construction and design of the acid units.

Allied Chemical to Expand

NEW YORK—Allied Chemical & Dye Corp. plans to more than double the capacity of its vinyl chloride plant at Moundsville, W. Va., I. H. Munro, president of the Solvay Process division, said.

Solvay began making vinyl chloride at Moundsville in 1956 and now because of increased consumer demand requires more capacity, Mr. Munro said. Vinyl chloride is used in the production of vinyl plastics which go into film and sheets for draperies, shower curtains, automobile upholstery and for electric insulation.

GE Gets Defense Contract

BURLINGTON, Vt.—General Electric Co.'s Missile and Ordnance Systems Department here said it received a \$7 million contract for the production of the rapid-firing Vulcan automatic cannon for the Lockheed F-104A Starfighter and other jet aircraft.

House Prepares Study Of Effects of Smoking As Lung Cancer Factor

Hearings Thursday in Wake of U. S.
Health Service Report to Aim
At Claim for Cigarette Filters

A WALL STREET JOURNAL News Roundup

Congress is getting ready to jump into the cigarette-health controversy following a new U.S. Public Health Service warning there is increasing evidence that excessive cigarette smoking helps cause lung cancer.

Chairman Blatnik (D., Minn.) of a House Government Operations subcommittee said hearings will begin Thursday on the effect of cigarette smoking on health. Medical specialists and the U.S. Surgeon General will testify, he said.

The public is spending an extra \$500,000 daily for filters on cigarettes, Rep. Blatnik said, and "we want to find out if the people are receiving the protection they're paying for." The inquiry, he added, "will be directed toward the advertising of filter cigarettes and claims for their effectiveness—and to what action the Government has taken in protecting the public through enforcement against false and misleading advertising."

Hammond to Testify

The first witness scheduled Thursday is Dr. Cuyler Hammond of the American Cancer Society. He reported on the cigarette-lung cancer link to the American Medical Association last month. Dr. Ernest L. Wynder of the Sloan-Kettering Foundation was called for Friday.

Mr. Blatnik said Dr. Clarence Cook Little, head of the Tobacco Industry Research Committee, and Dr. LeRoy R. Burney, U. S. Surgeon General have been invited to testify later along with representatives of the A.M.A., Consumers Union, the tobacco industry, and the Federal Trade Commission.

In the Public Health Service report, Dr. Burney said, "Many independent studies... have confirmed beyond reasonable doubt that there is a high degree of statistical association between lung cancer and heavy and prolonged cigarette smoking."

The report brought a reply from Dr. Little, who said in New York that the latest statement "adds nothing new to what has been known about the cause of lung cancer."

In the Health Service's strongest statement so far on the subject, Dr. Burney said: "It is clear that there is an increasing and consistent body of evidence that excessive cigarette smoking is one of the causative factors in lung cancer."

Other Causes Noted

However, he added that "it is clear" heavy smoking isn't the only cause of the disease. "Lung cancer occurs among non-smokers, and the incidence of lung cancer among various population groups does not always coincide with the amount of cigarette smoking."

The Surgeon General's latest findings were based on a review of a seven-man study group made public in March and on other recent data.

The Health Service's last previous official statement on the subject, in 1954, held that there was some evidence of a statistical association between smoking and lung cancer but

left open the question of whether there was a cause and effect relationship.

The March report of the study group, appraising 18 independent studies, reported that lung cancer occurs more frequently among cigarette smokers and that there's a direct relationship between the incidence of the disease and the amount smoked. The study group was formed in June, 1956, by units of the Public Health Service in cooperation with the American Cancer Society and the American Heart Association.

The Health Service said the exact reason why heavy smoking allegedly helps cause cancer isn't known, and recommended more research to pin down the factors. It also urged further study of the role of air pollution and other possible causes of lung cancer.

Dr. Burney said more data is needed before the service will take a position on whether smoking has any relationship to heart disease.

Firestone Air Spring Plant Placed in Full Production

NOBLESVILLE, Ind.—Firestone Tire & Rubber Co. put its new air spring plant into full production, according to J. E. Trainer, executive vice president.

Air springs produced here will be offered as optional equipment on several 1958 model cars, Mr. Trainer said. He described the new suspension systems as the biggest advance in riding comfort since introduction of pneumatic tires at the turn of the century. Other rubber companies also are turning out air springs.

Firestone previously has produced air springs for buses, trucks and truck-trailers, industrial machinery, airplane landing gear and train coaches. Firestone calls its air suspension system the Airide.

Components include one set of rubber bellows for each wheel, leveling valves, air reservoir tanks and a compressor. The valves keep the vehicle on an even keel regardless of load by controlling the volume of air within the bellows.

SEC Dropping Proceedings Against Sire Plan, Official

NEW YORK—The Securities and Exchange Commission is dropping proceedings for a temporary restraining order against the Sire Plan, Inc., and its president, Albert Mintzer.

Sire Plan, a New York real-estate investment firm, had been accused by the S.E.C. of selling short-term notes without registering them with the commission.

New York Regional Administrator of the S.E.C., Paul Windels, Jr., said the agency's action was being dropped because Sire Plan had registered its securities with the S.E.C. and had offered a return of purchase price and canceling of the securities which were sold without registration.

A Memory That Lets You Forget

Sherlock Holmes said that a memory is an attic. When it gets full, you have to take something out to put something in. So he never tried to remember too much.

Unfortunately, the modern business executive can't afford Holmes' luxury. He has to remember—and paper does it for him. "Paper remembers so you can forget."

Make sure your paper memory "organizes, deputizes, supervises" for you. We have a little idea book that can help you—"3 Steps That Get Things Done." To get your copy, mark out this ad while it's on your mind, staple to your business letterhead, mail to Hammett Paper Company, 1494 E. Lake Rd, Erie, Pa.

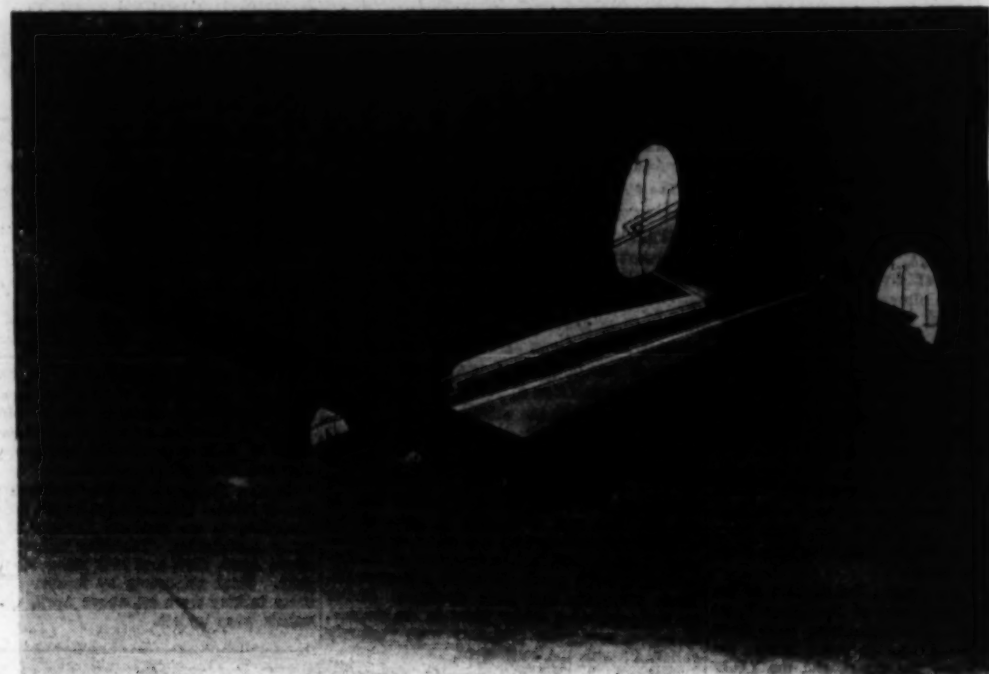
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Box 224, Department O, New York 1, N.Y.**Humphrey Is Facing \$16 Billion
Refunding Before He Quits Post**Treasury Chief Winds Up 14
Days of Testimony Before
Senate Finance GroupBy a WALL STREET JOURNAL Staff Reporter
WASHINGTON—George M. Humphrey faces
one more major task—refunding nearly \$16 bil-
lion of Government securities—before turning
over the Treasury to Robert B. Anderson and
departing to become chairman of National
Steel Corp.Friday, the retiring Treasury Chief com-
pleted 14 days of testimony before the Senate
Finance Committee. Today, he starts meeting
with leading bankers whose advice he is seek-
ing on terms of the new exchange offering
scheduled for announcement next Thursday.Even before this week's meetings, however,
it seemed a foregone conclusion that holders
will be offered short-term securities. "How
short, I don't know," one official commented.
"But it isn't going to be very long." The mat-
uring issues consist of \$12.1 billion of 2½%
notes issued July 16, 1956, and \$3.8 billion of
2% notes issued February 15, 1955.The reason officials expect to offer a new
short-term issue, of course, is the shortage of
long-term money available at prices the Treas-
ury would be willing to pay.Talks on Refunding
Mr. Anderson, former Secretary of the Navy
and former Deputy Defense Secretary, is par-
ticipating in the pre-refunding discussions. So
is Robert Craft, though to a lesser extent than
Mr. Anderson. Mr. Craft is slated to take the
Treasury's No. 2 job when Under-Secretary
Randolph Burgess resigns within the next few
weeks. Mr. Burgess is expected to stay on until
after a ten-day meeting of Western finance and
economic ministers in Paris. He will represent
the U. S. in the Paris sessions, starting
August 15.Mr. Craft is now president of New York's
Chase Bank, a Chase Manhattan subsidiary.
Washington officials and New York bankers
who know Mr. Craft regard him as a top mar-
ket technician but lacking Mr. Burgess' broad
economic background and experience.Mr. Humphrey's tour before the Finance
Committee equals the modern record for mar-
athon testimony. Since he took the stand as the
lead-off witness on June 18, he testified during
all or part of 14 days—the same number as
Army Secretary Stevens during the Army-
McCarthy hearings. Mr. Humphrey's testimony
and questioning by 14 of the 15 committee mem-
bers—all but Sen. Douglas (D., Ill.)—covered
some 1,500 pages of hearing record."Your trials have come to an end," Chair-
man Byrd (D., Va.) said smilingly as he ex-
cused the Treasury official. The hearings
wound up with Mr. Humphrey and committee
members engaging in repeated rounds of mu-
tual compliments.Delay in Hearings
Chairman Byrd wanted to push on with the
hearings Monday with Mr. Burgess, but Treas-
ury officials said he would be tied up all week
on the refinancing discussions. Mr. Byrd thenasked about the availability of Federal Re-
serve Board Chairman William McChesney
Martin but was told he had commitments
through Wednesday.In commenting on Mr. Humphrey's testi-
mony, Sen. Byrd said he was even more con-
vinced now than when Mr. Humphrey started
that "inflation is the most serious internal
problem in our country today"—an inflation,
he asserted, that "has not yet been clearly"
explained. The inflation has not been caused
by deficit spending, he noted, because there's
been a Federal surplus. And it was not due,
he added, to increases in wage above produc-
tivity because in the last year these "were
not excessive.""The problem," he said, "is to find the
cause of this new inflation and then take the
necessary measures to stop it before disaster
occurs."

Answers to Byrd's Question

Before leaving the witness chair, Mr. Hum-
phrey supplied his answers to questions sub-
mitted by Mr. Byrd last month. The Treasury
Chief generally did not take as alarmed a
view as Sen. Byrd of the Government's situ-
ation. For example, he said, he could not
agree with the Virginian's assertion that the
Government has no reserves to meet even a
slight business recession.Mr. Byrd claimed that a return to 1955
income levels would cost the Government \$13
billion in revenue and shake the country's
financial foundations. Mr. Humphrey said he
felt the U. S. Government "has a real reserve
of credit." He admitted that Government
credit is not unlimited, but argued that as long
as the Government practices sound monetary
fiscal policies "the Government has ample
credit and the people will have sufficient con-
fidence in it to meet its needs for financing
for whatever it properly may require."Anyhow, the Treasury official said, he
doesn't think it worth while to worry about a
return to 1955 revenue levels. The population
and the economy has been expanding contin-
ually since then, he said, and a reduction in
Government income to 1955 levels would in-
volve much higher unemployment and deeper
cutbacks in production because of the growth
in the meantime.Mr. Humphrey said he was glad the coun-
try is worried about inflation, repeating his
feeling that "just a little continuous inflation
is neither inevitable nor desirable."As he had done earlier in the hearings, Mr.
Humphrey argued that inflationary pressures
may already be lessening. "Some of the in-
dexes are leveling off," he said. "Natural
reactions may be forming. These approaching
changes never are crystal clear but we must
watch with the greatest care to revise our
flexible policies as soon as and whenever
changing conditions warrant."At several points in his wind-up testimony,
Mr. Humphrey emphasized the need for con-
trolling government spending to pave the way
for a series of tax cuts. He again said the
Administration is working to avoid any new
request for even a temporary increase in the
Federal debt limit.**Justice Agency Sees DuPont Ruling
Subject to "Very Real Limitations"**By a WALL STREET JOURNAL Staff Reporter
NEW YORK—A top Justice Department
official tried to soothe fears the Government
intends to make sweeping use of the new anti-
trust powers set forth in the Supreme Court's
DuPont decision.He said, for one thing, the agency hasn't
looked into "recorded stock acquisitions since
1914 to determine whether now—40 or more
years later—competition may . . . be sub-
stantially lessened." The "backward sweep"
of the DuPont ruling, he declared, "is subject
to very real limitations."This assurance came from Robert A. Bicks,
first assistant in the Justice Department's
Antitrust Division. His speech before the Amer-
ican Bar Association's Antitrust Section was
the first official pronouncement by a Gov-
ernment official on the significance of the
DuPont ruling.The High Court last month held that DuPont
violated the antitrust laws through its 23½% stock
ownership in General Motors Corp. The chem-
ical giant bought the G.M. stock in 1917-19.
The court's ruling led to fears in business that
it would encourage trust busters to attack
mergers and stock acquisitions carried out
many years ago.Many Acquisitions Immune
But Mr. Bicks explained the Government
didn't get power to challenge acquisitions of
assets until the antitrust laws were amended
seven years ago. Pre-1950 asset acquisitions are
therefore immune from antitrust prosecutions
regardless of the DuPont ruling.Besides, the official said, "enforcement
practicalities may complicate seriously any
move . . . against stock or asset acquisitions
consummated since 1950." He explained that
if the Government waits too long to chal-
lenge a merger, "the assets of the merged
companies may be so scrambled that effec-
tive divestiture may be unfeasible."Thus, he contended, the Government's
DuPont suit "may be more the exception
than the rule."
Mr. Bicks nonetheless defended the Gov-
ernment's power to rule against a merger
after it is carried out. Indeed, he added, "the
great bulk of proceedings filed thus far have
involved acquisitions consummated in the
more or less recent past."

But he conceded, by implication, that the

courts might not support the Government if it
waited too long to act against a merger. The
DuPont acquisition of G.M. stock, he noted,
did not involve a complete buying-out of one
company by another. He said it "may be
reasonable . . . to put at issue the market
consequences of a complete merger between
two significant competitors appropriately soon
after its consummation—or at least much
sooner than the 30 years or so involved in the
DuPont case."On the other hand, he said, in the case of a
mere stock acquisition the Government might
find it necessary to wait for some time before
it can tell whether antitrust action is war-
ranted.

Relevant Market Ruling

Mr. Bicks told the bar group there's still
some question about the scope of the High
Court's ruling on the so-called "relevant mar-
ket" in the DuPont case. He said trust busters
must consider the DuPont-G.M. relevant mar-
ket findings in connection with the Supreme
Court's earlier decision in a case involving
DuPont's cellophane business.In the earlier case, the justices ruled that
cellophane competes with all other flexible
wrapping materials, and that DuPont there-
fore did not have a monopoly. But in the Du-
Pont-G.M. case, the court said the relevant
market was sales of paints and fabrics only
to the automotive industry rather than to in-
dustry generally.Mr. Bicks indicated that the DuPont-G.M.
ruling may narrow the relevant market which
trust busters must consider in filing an anti-
merger action. But he also pointed to many
factors which must be considered before this
doctrine can be fully accepted.The antitrust official also termed unimpor-
tant the Supreme Court's finding that the so-
called anti-merger law applies to vertical ac-
quisitions—that is, the acquisition by one com-
pany of a concern to which it sells or from
which it buys. This part of the decision, he
declared, "is not likely to be of any real fu-
ture significance," because the 1950 antitrust
law amendments made clear that the law ap-
plies to "all types of mergers and acquisitions,
vertical and conglomerate as well as hori-
zontal" as long as they lessen competition or
tend to create a monopoly.**Sohio Petroleum Plans
To Resume Oil Output
In 3 Oklahoma Fields**By a WALL STREET JOURNAL Staff Reporter
OKLAHOMA CITY—Sohio Petroleum Co.
notified the State Corporation Commission it
will resume production of its normal crude oil
allowables in three fields in the Coon Creek
area of Oklahoma County starting today.Sohio Petroleum, producing subsidiary of
Standard Oil Co. (Ohio), curtailed its output
in the state June 6 because of a strike at five
refineries of Ohio Standard. Sohio Petroleum
said it has contracted to sell its oil from the
Coon Creek area to other purchasers. The
company's permissible production there is
about 400 barrels daily.

Earlier, Sohio turned its West Edmund

field purchases over to Phillips Petroleum Co.
Sohio Petroleum normally buys 9,400 barrels
daily in Oklahoma.Meanwhile, the U. S. Bureau of Mines fore-
cast August demand for Oklahoma crude oil
at 986,000 barrels daily, a reduction of 25,000
barrels a day from its July forecast. For
August, 1956, the agency forecast demand of
986,000 barrels a day.The state's production in June and so far
in July has run well below permissible pro-
duction for both months of 986,000 barrels a day.
Runs in June averaged 564,958 barrels a day,
compared with 586,878 barrels in May and
587,208 barrels in June last year. For the week
ended July 6, production averaged 533,827 bar-
rels a day.At the July market demand hearing, pur-
chasers requested 230,739 barrels of crude
daily, 24,780 barrels a day below their June
requests.Besides Sohio Petroleum, Magnolia Petro-
leum Corp. has curtailed runs because of the
refinery strikes.**Manhattan Olds Dealer
To Handle the Edsel Instead**By a WALL STREET JOURNAL Staff Reporter
NEW YORK—Charles Kreisler, big
Manhattan Oldsmobile dealer, is giving
up that line to handle Ford Motor Co.'s
new Edsel, which will be introduced late
this summer.Mr. Kreisler said he expects to sell
2,000 to 2,500 Edsels the first year. He de-
clared "Edsel is in the price category
where it belongs." In New York City, Mr.
Kreisler declared, prices will begin "with
the lowest-priced Pontiac, at around \$2,750,
and go up to \$3,500 to \$4,000."The nearly 40-year veteran of the auto
business said he will have the exclusive
dealership for Edsel in Manhattan. He has
shared the borough with five other Olds
dealers and he said "there is not room
for the six of us." Moreover, Mr. Kreisler
said he felt Olds "has priced itself out of
the medium price market."Mr. Kreisler, in newspaper advertising,
announced that he is giving up the Olds
Agency August 10. His ad offered "181 fac-
tory fresh 1957 Oldsmobiles priced for final
clearance."**Pan Am, TWA Granted
Routes Over North Pole**President Approves CAB Order
Allowing New Air Service From
West Coast to EuropeWASHINGTON—President Eisenhower gave
the go-ahead to Trans World Airlines and Pan
American World Airways to join the race to
furnish air service over the top of the world.The grant of permanent transpolar routes
to the two U. S. lines as approved over the
week-end by the Civil Aeronautics Board, said
it will start flying the new routes late this fall.
Pan Am promised to begin transpolar flights
as soon as equipment can be set up at a mid-
way point at Frobisher Bay, in northern
Canada.The Civil Aeronautics Board order, which
becomes effective in 90 days, gives both U. S.
lines routes out of San Francisco and Los An-
geles. Pan Am also won the right to fly out of
Portland, Ore., and Seattle until July 4, 1959.
Both lines will fly to London and Paris.Transpolar service was inaugurated two
years ago by Scandinavian Airlines System
and immediately proved popular with Europe-
bound travelers on the West Coast who did not
want to visit the U. S. Eastern Seaboard. Ger-
many's Lufthansa has already been authorized
to fly transpolar routes, and British and Aus-
tralian airlines are thinking about starting
across-the-pole flights.The C.A.B., in recommending that Pan Am
and TWA get transpolar routes, noted that
the Scandinavian flights have diverted consid-
erable traffic from the two U. S. lines."There is every reason to believe that other
foreign air carriers will soon join in the race
to tap this growing and lucrative air market,"
the board declared.T.W.A. and Pan Am, the C.A.B. said, both
stand to lose revenue unless allowed to com-
pete for transpolar traffic.**Claims Court Rules AEC
Doesn't Have to Buy Ore
That Can't Be Processed**By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—The Court of Claims ruled
the Atomic Energy Commission, despite its
offer to buy uranium ore of a designated qual-
ity, doesn't have to purchase the ore unless
the uranium is recoverable.The court thus rejected a claim by Radium
Mining, Inc., which had argued that the A.E.C.'s
offer was a firm contract. The company sued
the agency for refusing to take some ore
which met the standards of the commission's
public offer.The A.E.C. claimed the ore had a high
lime content, even though its uranium con-tent met the standards of the public offer. But
the commission held there were no processes
available to get the uranium out of such ore
when it was offered in 1951. The court ruled
the A.E.C. has the right to decide whether the
uranium is recoverable.In another case, the court ruled the U. S.
companies had no right to export Bofors anti-
aircraft guns produced under licenses of a
Swedish firm, Aktiebolaget Bofors.The Swedish company claimed it licensed
U. S. production of the guns but did not au-
thorize their export. The company told the
court the U. S. had sold the guns abroad from
1941 on in direct competition with its own
efforts.The court upheld Bofors' claim, but said
because of the statute of limitations the com-
pany could collect damages only for exports
since 1947. Justice Department officials doubted
that damages would be excessive, since most
of the guns were exported during World
War II.**How to get****MORE**
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Airline Ticket to
EUROPE
AND BEYOND**Fly KLM... The Royal DC-7C**...and when you buy your ticket ask for more than
just travel to your particular destination. Plan to stop
over where you choose, en route, then at no extra fare
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SILICONE NEWS

DOW CORNING

New Spice for Sales Recipes

- Silicones up life-expectancy of motor insulation
- More churn astern with Silicone-protected outboard
- Silicones get a "well done" from oven buyers

HOT COMPETITIVE CLIMATE—
In today's increasingly competitive
markets, many manufacturers are
calling on Dow Corning Silicones to
supply an extra product value. Here
are several new examples of how alert
marketers are using silicones to
improve performance.**MOTOR MAKES BIG NEWS**—
A new line of standard dc motors,
the Life-Line "H" series, has just
been announced by Westinghouse
Electric. The insulation in these
motors has 10 times the life of insu-
lation in other motors in their class.
The new motors provide much faster
acceleration and reversal, and promise
big reductions in maintenance!How does Westinghouse achieve these
advantages? A silicone insulating
system that provides the motors with
greater reliability. Although rated at
standard temperature rises, Silicones
withstand high ambient tempera-
tures and moisture . . . motor trouble
due to insulation breakdown is
practically eliminated.Dow Corning silicone insulation plus
a highly efficient design make the
new Westinghouse motor ideal for
automated processes. Here, where
the failure of a single motor can shut
down whole assembly lines, Life-Line
"H" performance will keep produc-
tion humming. It's calculated to keep
Westinghouse sales humming, too.**LITTLE PLUG HELPS MAKE SALE**
Frequently, in large appliances, a
single "plus" feature will sell brand
"A" over brand "B". Just such a plus
for kitchen ovens is a new plug-in
meat thermometer made by King-
Seely Corporation of Ann Arbor,
Michigan. A real help to the house-wife, it translates meat heat into elec-
trical impulses, so she reads on a dial
how well her roast is done.Silastic*, the Dow Corning Silicone
rubber, plays an important part in
making this handy unit possible.
Silastic resists prolonged heat up to
500 F . . . a temperature that ruins
regular rubber. That's why the flex-
ible lead wire is covered with Silastic,
and the sealing washers are fabricated
from it.First offered by Philco, this clever and
durable thermometer is now a feature
of Hotpoint, Magic Chef, Cribben &
Saxton, and other ranges. Another
example of how silicones help sell!

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SMOOTH PUTT—The outboard
motors that used to be "putt-putts"
have grown up into powerful engines.
The newest and strongest production
outboard carries a whopping 60 hp
rating . . . enough to drive a small
car! This motor, the "Mark 75", is
produced by Kiekhaefer Corporation,
makers of the Mercury line.To help keep the
Mark 75 and
the eleven other
Mercury models
running smoothly
—come cold, hot,
or wet weather—
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ploys Dow Corning
Silicones. Several rubber,
metal, and ceramic parts with-
in the motors are
coated with a
water repellent
silicone com-
pound. The silicone coating pre-
serves, protects, lubricates, and helps
prevent short circuits. Here's a case
where Dow Corning Silicones assure
a steady putt from both motor and
satisfied customer.**BABY BILLBOARDS**—A slick
trick for keeping your company name
where it will be seen: give-away
packets of Sight Savers imprinted
with your sales message. Sight Savers—the Dow
Corning silicone treated
tissues for cleaning eye-
glasses—are purchased
and used regularly by
millions of adults. Over 70% of your
customers and prospects wear glasses,
and glasses need cleaning often. What
more logical place to put your mes-
sage than where it will be repeatedly
seen and appreciated? Imprinted
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quantity, at a surprisingly low price.Write today for more information
about this new and effective form of
advertising.FOR MORE INFORMATION on any of these silicone products
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**Pacific Cement Says Net
So Far in 1957 Trails '56**

By a WALL STREET JOURNAL Staff Reporter

SAN FRANCISCO—Net income of Pacific Cement & Aggregates, Inc., so far this year is trailing last year's figure, R. G. Trevorrow, secretary-treasurer, stated. But "if the last half goes the way we think it will, we will earn somewhere around \$1.50 to \$1.80 a share," he predicted.

This would put total net income at about \$1,900,000 for 1957. In 1956, Pacific Cement reported earnings of \$1,531,438 or \$1.27 a share. "Sales are running close to last year," Mr. Trevorrow said. "The six month volume is roughly comparable with a year ago" or \$12 million. Reduced sales resulting from a slump in home construction have been matched by increased sales in other types of construction, he noted.

"The drop in home building will cost us \$5 million in sales this year," figures the general sales manager, F. R. Coyle.

"We will still do better than last year," he said. "About \$36 million to \$30 million," he estimated. "But we would have done \$33 million or \$34 million if home building had stayed up." Pacific Cement reported sales of \$26,827,893 in 1956.

The cement and building materials producer reported a net loss of \$58,660 for the first three months, compared with a loss of \$2,003 for the first quarter 1956. But "April and May earnings are equal with last year's," he noted.

This year Pacific Cement increased capacity of its Santa Cruz, Calif., cement plant by 250,000 barrels to a total annual capacity of 2,500,000 barrels. Capacity was raised by increasing operating efficiencies, Mr. Trevorrow said.

Washington at Work

White House

Transpolar Routes: President Eisenhower approved the grant of new air routes across the North Pole between the U. S. West Coast and Europe for Pan American World Airways and Trans World Airlines.

Veterans' Estates: The House rejected a measure (H.R. 72) to limit the number of relatives who could claim that part of estates of mentally incompetent veterans resulting from accrued Government benefit payments.

Congress

Wheat Imports: A Senate Agriculture subcommittee approved a bill (S. 606) to make imported wheat deemed unfit for human consumption but sold for seed subject to the same import regulations as wheat shipped in for human use.

Humane Slaughter: A Senate Agriculture subcommittee voted to set up a special commission to study methods of humane slaughter of livestock.

Onion Futures: A Senate Agriculture subcommittee approved a bill to prohibit trading in onion futures.

Trucking: Sen. Schoeppel (R., Kans.) at a Senate Small Business Committee hearing on alleged concentration in the trucking industry, continued his criticism of a report on the industry prepared by two outside economists.

Procurement: Several Navy Department officials told a Senate Small Business subcommittee how their procurement practices affect small business.

Labor: Rep. McConnell (R., Pa.), the top Republican member of the House Labor Committee, announced he would resign from Congress September 1, 1957. His resignation makes Rep. Gwinn (R., N.Y.) the top G.O.P. member of the labor group.

Federal Courts: Officials of the Justice Department and the Federal Courts testified before a House Judiciary subcommittee in support of bills to cut down the number of cases that can be brought in Federal courts.

Airplanes: Officials of the Boeing Airplane Co. gave a House Armed Services subcommittee various documents supporting their contention that they were not negligent in policing an Air Force subcontract to the Ford Motor Co.

Postal Pay: Backers of a bill to boost the pay of postal employees some \$320 million a year amassed the required number of signatures on a petition to force the bill to the House floor for a vote, despite the opposition of House leaders to the measure.

Unemployment Compensation: The House Ways and Means Committee approved a bill to extend the unemployment compensation program to Puerto Rico.

Appropriations: The Senate Appropriations Committee approved a bill appropriating \$84.2 million, \$8.4 million above the House figure, and \$8.3 million above the budget figure, for reclamation and Army Engineer public works projects in the current fiscal year.

Delinquent Taxes: The House Ways and Means Committee agreed in principle on a bill to provide tighter controls over employers who withhold income and social security taxes from workers' pay and then fail to pay the money over to the Government.

Airplane Engines: The House Armed Services investigating subcommittee announced aircraft engine manufacturers have filed with the group detailed financial reports which will be released publicly when the companies testify at hearings starting next Thursday on the industry's profits.

Federal-State Relations: A House Government Operations subcommittee released a report compiling the views of state and local officials on intergovernmental relations. Most of the states favored more, not less, Federal aid.

Financial Hearings: The Senate Finance Committee wound up questioning of Treasury Secretary Humphrey, its lead-off witness in the committee's financial probe.

Subscription Television: House Judiciary Committee Chairman Celler (D., N.Y.) wrote the Federal Communications Commission urging that the commission let Congress pass on the question of authorizing subscription television tests.

Government Pay: Civil Service Commission Chairman Ellsworth testified before the House Post Office Committee in opposition to pending bills to raise the pay of Government workers.

Smoking: The U.S. Public Health Service reported there is increasing evidence excessive cigarette smoking helps cause lung cancer.

Bureaus

India Loans: The World Bank agreed to loan India \$90 million to help modernize the

GM Cleared of Charges Of Misusing Term in Ads For Chevrolet Parts

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—The Federal Trade Commission cleared General Motors Corp. of charges it misused the term "genuine Chevrolet parts."

The commission ruled that G.M. has not claimed in advertising that its Chevrolet replacement parts are superior to all others, nor falsely disparaged the products of its competitors, as the F.T.C. charged last December.

F.T.C. Chairman John W. Gwynne said that G.M., "because of its desire to maintain the goodwill of the motoring public and because of its responsibility under its warranties is naturally interested in the use of replacement parts that are of a quality equal to those in the original car and that have been subjected to the tests of its own engineers. Its advertising simply notifies the public of at least one source where those parts may be secured."

In another action, the commission ordered Manhattan Brush Co., Inc., New York City, to stop labeling as "pure bristle" paint brushes not composed entirely of hog or swine bristles. The commission said that some of Manhattan's brushes have been "substantially and significantly" adulterated with horse hair, even though they were labeled "pure bristle."

This Week in Washington

BANKING LAWS: The House Banking Committee begins hearings today on a bill, already passed by the Senate, overhauling and "streamlining" the nation's banking laws. Federal Reserve Board Chairman Martin was called as the first witness.

HELLS CANYON: The House Interior Committee on Wednesday may act on a bill authorizing the Government to build a high dam on the Hells Canyon stretch of the Snake River between Idaho and Oregon. The Senate has passed the bill.

CIVIL RIGHTS: The Senate will continue debate on a motion to take up a bill to guarantee voting rights to Negroes. A vote is expected this week.

ADMINISTERED PRICES: The Senate Anti-Monopoly subcommittee, resumes hearings on Tuesday into the use by industry of so called administered prices.

FOREIGN AID: The House today begins debate on a \$3.2 billion aid authorization measure. The Senate Appropriations Committee on Wednesday will begin meeting in closed session to consider foreign aid funds requests.

SCHOOL CONSTRUCTION: The House Rules Committee continues hearings tomorrow on whether to clear the Federal Aid for schools Bill for House action.

SECURITIES: The Senate Banking Committee meets tomorrow to consider behind closed doors a bill to require registration of more securities information.

MEAT PACKERS: The House Agriculture Committee today continues hearings on bills to give the Federal Trade Commission jurisdiction over trade practices of meat packers.

WELFARE FUNDS: The House Labor Committee continues hearings tomorrow on legislation to give the Government more power to regulate welfare and pension plans.

CIGARETTE ADVERTISING: A House Government Operations subcommittee begins hearings Thursday on Government policing of cigarette advertising.

SPORTS HEARINGS: A House Judiciary subcommittee on Wednesday will resume its hearings on proposals to bring professional sports under the anti-trust laws.

SHIP TRADE-INS: The House Merchant Marine Committee tomorrow will hear Commerce Secretary Weeks discuss the nation's ship trade-in, transfer and reserve fleet policies.

DEBATE: A Senate Special Rules subcommittee tomorrow will consider proposed changes in the Senate's rule permitting the members to limit debate by a two-thirds vote.

FARM EXPORTS: The Senate Agriculture Committee resumes hearings tomorrow on overseas sales of United States crop surpluses.

nation's railway system. Less than one third of the total loan would be in U. S. currency.

Uranium: The Court of Claims ruled the Atomic Energy Commission, despite its offer to buy uranium ore of a designated quality, need not buy ore if the uranium is not recoverable.

Bofors Guns: The Court of Claims ruled the U.S. had no right to export Bofors anti aircraft guns produced under licenses from a Swedish firm.

Atomic Licenses: The Atomic Energy Commission gave Aerojet-General Nuclear, San Remon, Calif., licenses for the operation of three of the company's low-power research reactors.

Chevrolet Parts: The Federal Trade Commission cleared General Motors Corp. of charges it had misused the term "genuine Chevrolet parts."

Farm Surplus: The Agriculture Department reported it gave away 2.4 billion pounds of food, which cost the Government \$482.1 million, during the fiscal year ended June 30. This compared with 2 billion pounds costing \$537.1 million a year before.

Sulphur Contract: The Interior Department approved Humble Oil and Refining Co.'s plan to turn over sulphur-rich submerged lands in Gulf of Mexico to Freeport Sulphur Co.

Export-Import Bank: The Export-Import Bank reported it authorized 182 credits totaling \$1,066,000,000 to 36 countries for the purchase of U.S. exports during the fiscal year that ended June 30.

Aluminum: The Government ordered total set-aside of aluminum for defense producers of 128 million pounds in the fourth quarter, or 17 million pounds less than the amount reserved in the current period.

Atomic Information: The United States and Australia reached agreement on terms for the exchange of atomic information for mutual defense purposes, the State Department announced.

Curtiss-Wright Develops Fuel To Re-Light Jet Flame-Outs

NEW YORK—Curtiss-Wright Corp. announced it has successfully conducted tests with fuels which ignite on contact with air and which can re-light jet engines which have "flamed-out" at high altitude.

The company conducted the test with what are known as "pyrophoric" fuels at the Aircraft Engine Laboratory of the Navy's Air Bureau at Philadelphia. Curtiss-Wright said the results of simulated altitude tests showed that the discharge of a small quantity of the spontaneously-igniting fuels in the engine combustion chamber results in successful ignition at altitudes up to 50,000 feet, the test limit of the Philadelphia facility. Successful ignition at even higher altitudes is believed possible, according to the company.

The pyrophoric fuels are composed of a mixture of aluminum trimethyl and aluminum triethyl and have been under development and evaluation by Curtiss-Wright for several years.

ACF Freight Car Output

NEW YORK—In the first four months this year 6,567 freight cars were produced by the American Car & Foundry division of ACF Industries, Inc., almost 86% more than the 3,531 in the similar period last year. S. M. Felton, division president, said that "with a substantial backlog of orders we look forward to a continuation of high freight car production for the balance of the year."

Canada-to-California \$330 Million Pipeline Planned by Pacific Gas

Project, 1,300 Miles Long, Awaits
Approval of Government Agencies;
First Deliveries Set for 1960

By a WALL STREET JOURNAL Staff Reporter

SAN FRANCISCO—Pacific Gas & Electric Co. announced plans to bring natural gas from Canada direct to California, through a \$330 million pipeline system. Initial deliveries of 400-million cubic feet a day are planned by 1960, subject to authorization by governmental agencies of Alberta and Canada, the Federal Power Commission and California Public Utilities Commission. The pipeline would cover about 1,300 miles.

A substantial amount of gas has been purchased for the project by a new Canadian subsidiary of Pacific Gas and negotiations for more gas are in progress, it was stated.

P.G.&E. will be assisted by Bechtel Corp. in the engineering and construction of the proposed pipeline system, and Blyth & Co., Inc. will assist in the financing. Securities in large amounts will be offered to investors in both Canada and the United States and part of the capital will be supplied by the company and others in amounts yet to be determined.

Subsidiaries of Pacific Lighting Corp., operating gas utilities in Southern California, have been offered 50% of the deliveries from Canada, Pacific Gas stated. This would be on a basis similar to that under which these companies now obtain gas from El Paso Natural Gas Co. It is understood that if this offer is accepted, further negotiations will be necessary to determine the manner and extent of Pacific Lighting's participation in the venture.

The international project would connect the California market with important new resources of natural gas in Alberta. Norman R. Sutherland, president of P.G.&E. said. The Canadian gas would augment the company's present supply from California fields and from fields in Texas and New Mexico. These fields now provide about two-thirds of the company's daily gas resources and additional quantities will be purchased there in the future as available, Mr. Sutherland said. The imports of the Southern California utilities now equal those of Pacific Gas.

Pacific Lighting Corp. officials said they have been discussing with Pacific Gas since 1956 plans for bringing Canadian gas to California and several months ago expressed their intention to participate in the project. In recent weeks discussions have been held concerning Pacific Lighting's participation in the organization of the construction and operation, including the receipt by its subsidiaries of 50% of the total deliveries.

About 550,000 tons of large-diameter steel pipe will be required for the project, Mr. Sutherland said. The line will cross several mountain ranges, including the Canadian Rockies, and traverse portions of British Columbia, Idaho, Washington, Oregon and Northern California, terminating at the existing P.G.&E. transmission network station at Antioch, Calif. The system will provide a new market for Canadian producers of natural gas, Mr. Sutherland said, and assure California of added supplies to meet future growth.

Cooperative agreements have been worked out with Canadian Western Natural Gas Co., Ltd., of Calgary, and Northwestern Utilities,

Ltd., of Edmonton, which are gas distributing utilities in Alberta, for purchases, sales and transmission of gas. Mr. Sutherland's announcement said. P.G.&E. has been importing gas from Texas and New Mexico since 1950.

Paper Output Declines

NEW YORK—Paper production in the nation, exclusive of mills turning out newspaper only, fell to 82.7% of capacity in the holiday week ended July 6, according to the American Paper & Pulp Association. The rate compared with 91.6% the week before and 83.7% in the like year-ago week. Paperboard output in the same week was 54% of capacity, down from 92% the week before and 56% in the corresponding 1956 period.

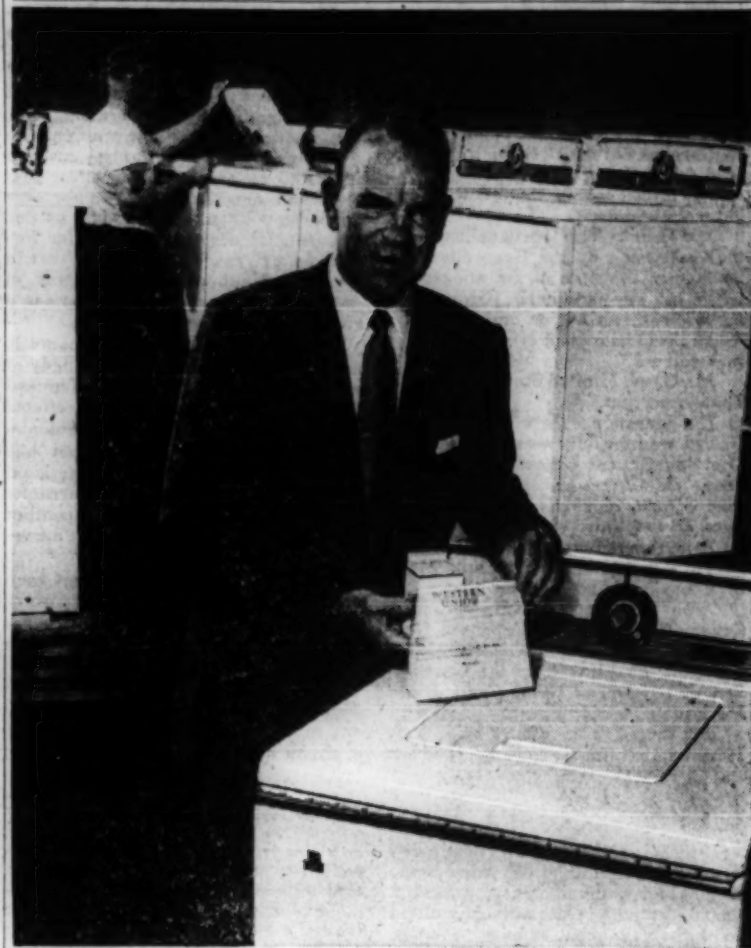
THE WALL STREET JOURNAL
Monday, July 15, 1957

Nation's Crude Oil Stocks

WASHINGTON—The nation's crude oil stocks climbed to 279,025,000 barrels in the week ended July 6, an increase of 1,742,000 barrels over the week-earlier total, the Interior Department said.

In a separate report, the agency predicted the U. S. will consume or export an average of 6,700,000 barrels of crude daily in August, less than the 6,975,000-barrel daily average predicted for July.

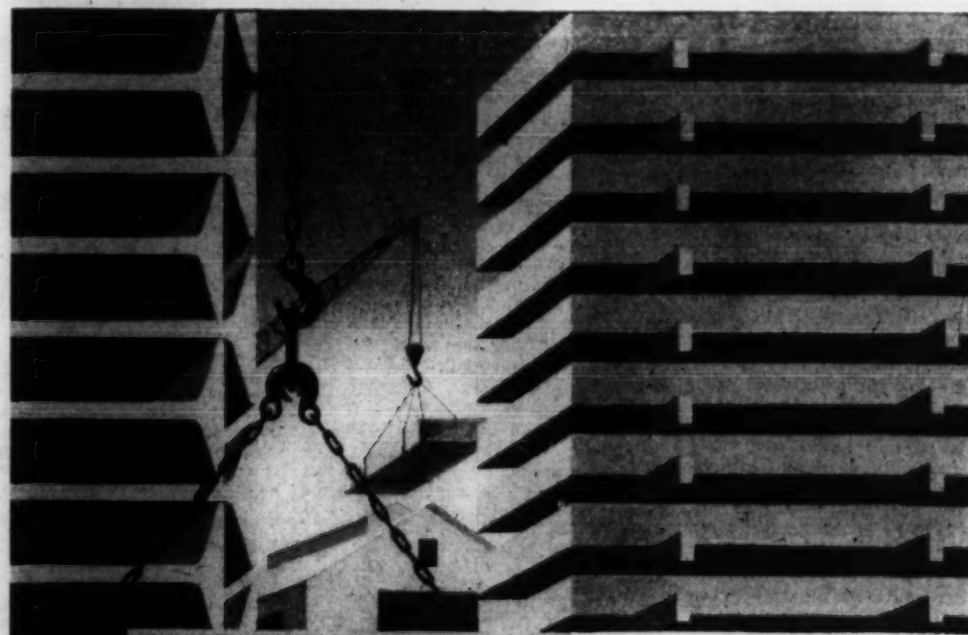
Last week's rise in crude oil stocks, the agency said, included an increase of 1,512,000 barrels in stocks of domestic crude and a rise of 230,000 barrels in supplies of imported crude.



Fred Maytag Launches His Biggest Promotion with 15,110 Telegrams

"We wanted a dramatic way," Fred Maytag, President, The Maytag Company, tells us, "of notifying our entire dealer organization of the biggest sales promotion in our history. Naturally, we wired. The Maytag Company, which recently produced its 10,000,000th washer, has come to depend on the telegram for all sorts of

things—like sales reports, shipping arrangements, price changes and order information. It's fast and puts you in writing for accuracy." More than a million times a day, business finds it wise to wire. Speed plus the written record make the telegram essential to American business.—WESTERN UNION



New Facilities to do a
better job for you

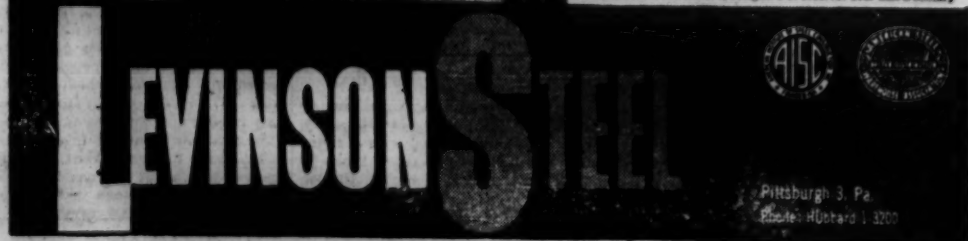
During the past six months Levinson has been undergoing a major expansion program designed to meet the increasing demands of its customers for plain and fabricated steel.

New warehousing facilities have been acquired in McKees Rocks, Pa. and the company is in the process of adding new, modern equipment for cutting and fabricating. All of this adds up to an even better job for Levinson customers.

On your next order for plain or fabricated steel

just... Leave it to **LEVINSON**

Warehouses, fabricators, designers of steel for over half a century



REVIEW and OUTLOOK

Remedies for Muddled Rights

In its unanimous decision in the Girard Case, the United States Supreme Court did not only turn over the soldier to answer to a Japanese court on charges of manslaughter arising from the death of a woman on an Army firing range. The Court did some other things as well.

By its ruling, the Supreme Court again placed treaties and executive agreements above the individual rights of citizens that are embodied in the United States Constitution.

And it ruled that the United States Government has the power to waive military jurisdiction and turn its servicemen over to foreign courts whether they are on duty or not.

During the hearings before Judge McGarraghy of the U. S. District Court of the District of Columbia about the middle of last month, the following colloquy took place:

The Court: The Court understands the concession by the Government to be that at the time of the alleged offense by the petitioner (Girard), it arose out of an act or omission done in the performance of official duty. Is that correct?

Mr. Gasch (United States Attorney): That is correct.

The question, therefore, whether Girard was on duty was not at issue. The Government conceded that point. Judge McGarraghy therefore ruled that Girard, since he was on official duty at the time, should be tried by an Army court martial as provided for by the Constitution and as authorized by Congress. And he ruled that:

"The proposed delivery of petitioner (Girard) to the Japanese Government would violate rights of the petitioner guaranteed by the Constitution of the United States." So Judge McGarraghy said, No.

But the Supreme Court said, Yes. It ruled that the Government had a

right to turn over Girard to the Japanese inasmuch as the status of forces agreement permitted the Government to do so in cases of "particular importance." And the Court ruled that since the agreement was patterned after the N.A.T.O. status of forces agreements and was part of the Security Treaty with Japan, ratified by the U. S. Senate, Girard did not have the Constitutional rights Judge McGarraghy said he had.

There are fortunately, some remedies for this muddle. One is to make clear that a serviceman on duty is answerable only to a court martial, and that waivers of individual rights out of "sympathetic consideration" for the desires of other governments to try Americans ought to be stricken from the agreements. For other governments may ask such waivers for domestic political reasons, just as this Government may grant them for foreign policy reasons. It did just that in this case. Neither reason, we think, is good enough when an American's rights are at issue.

But if amending the agreements is not enough, there is the remedy of amending the Constitution to safeguard Constitutional rights from the effects of treaties and executive agreements.

As it is, the Supreme Court has plainly said where the Constitutional rights invoked by Judge McGarraghy stand when they come into conflict with treaties and executive agreements.

For a treaty and an agreement gave the Government the right to dispose of Girard's rights as it willed and to use Girard as an instrument of our foreign policy.

And that is more power than any treaty ought to give the Government, and more power than the Government ought to have.

Every Day is School Day

If there's anything rarer than a day in June it was a June day when some state, county, municipality, township, school district or state authority didn't do something about building schools.

June bond sales, the Investment Bankers Association of America statistical bulletin reveals, amounted to \$134 million for elementary and secondary schools. The sum brought the total school bonds sold in the first six months to \$1.2 billion, "an all-time first high record."

The \$134 million school bonds sold in June amounted to something more than one-third of the total municipal bonds sold for all purposes. Further, taxpayers across the nation will vote to tax themselves to provide their own

needs at elections scheduled during the next five months to the tune of some \$502 million of which \$296 million will go exclusively for education. This means school rooms.

Now no one should be so sanguine as to expect that these facts and figures will change the minds of those people in Washington who keep telling us that the country's school systems will fall apart unless the Federal Government extends \$2 billion in aid.

But we pass this information along as further proof that the general public is facing up to its obligations despite all claims of proponents of Federal school aid (and control) that the responsibility to provide schools isn't being met on the local level.

How Not to Cure Inflation

Treasury Secretary Humphrey has been throwing some penetrating darts at the managed economy advocates. In his marathon testimony before the Senate Finance Committee, he has among other things stated opposition to the price-wage controls proposed by some as a cure for inflation.

"I wouldn't be in favor of putting them back," he said. "I think the American people are better judges than some bureaucrats in Washington of what they can properly buy, what they can properly pay and what they can properly owe."

The trouble with a managed economy is that it just doesn't work very well. People tend to make their own judgments anyway as to what they can buy, pay and owe no matter what the bureaucrat says. Even in wartime, when personal objectives are more easily bent to the master plan, there is difficulty in getting people to act as the plan says they should.

As a cure for inflation, wage-price controls fail because they don't get to the root of the trouble. They treat only symptoms of inflation.

The alternative is the free market. And as Mr. Humphrey made his testimony on "inflation" there seemed to be emerging a good example of how the unmanaged, free forces will in time work out a correction.

The Secretary noted that inflationary pressures were easing. And true enough, supply has been outpacing demand in a growing number of industries; wholesale prices have been stabilizing and new plant spending has been leveling off. Maybe this apparent easing is only temporary, but it is just the kind of thing that could be expected as a result of the Federal Reserve Board's policy of letting the basic discount rate of interest fluctuate in response to the free market forces.

Mr. Humphrey put his finger on the whole difficulty of managing economies when he declared: "I don't think anybody is wise enough to completely manage an economy of 175 million people. There are forces at work in an economy that size that are so great and complex that nobody can know exactly what to do to manage the economy."

Letters

To the Editor

The Ever Mindful Court

Editor, The Wall Street Journal:

Comments relative to the recent opinions of our Supreme Court dealing with the subject of individual rights and national security have become highly controversial.

As I understand it, we have a government of laws and not a government of men; a constitutional representative republic; a government of divided powers—the executive, the legislative and the judicial. Let's keep it so, for only by so doing are we going to be able to stop that trend toward totalitarianism that is too prevalent in many lands in the world today.

The instant situation in my opinion as a lawyer, an ex-serviceman and as one who is affiliated with that political party that, in the main, is conservative in its politics, with reference to social, economic and political problems, does not present any serious problem of our national security.

Our Supreme Court has, it would appear, rendered a distinct service to our Constitution and our liberties. An unbiased study of all the facts and circumstances, together with the statutory provisions applicable thereto, upon which the Court has based its opinions substantiates, in my humble judgment, the position taken by the Supreme Court.

The powers of the F.B.I., Congressional investigations, prosecutions under the Smith Act, and the Government's powers to discharge those in governmental service whom it holds for one reason or another, have not been removed.

The Supreme Court, in deciding these cases, appears to have followed certain definite points of law inherent and fundamental in our Federal Constitution and our Bill of Rights ever mindful of our national security.

ALVIN C. BOHM

Edwardsville, Ill.

Tribute to Adlai

Editor, The Wall Street Journal:

Whatever became of Adlai Stevenson who only eight months ago was being called nitwit, idiot, ad-lib-brained and the like because he was so astute as to suggest a ban on H-bombs and who, no doubt, would be so stupid as to perhaps propose disarmament? I dare say he might have even gone so far as to intimate we should give our atoms away.

HELEN F. FOX

Bronx, N. Y.

Broke

Editor, The Wall Street Journal:

Regarding property taxes and the recent article by your staff reporter, Lee Silberman, I should like to drop the following comments:

It was very interesting reading about "the case of George M." from Livingston, N. J., but my reaction to the case is—"He thinks he has problems? He should live in Washington Township, Morris County."

The writer lives near the top of the south side of the Schooley Mountain range in this township, overlooking Long Valley which is the seat for local government. There are approximately 1,400 taxpayers. Washington Township underwent a revaluation during the last quarter of 1956. For the year 1956 it was assessed at \$1,500, less \$500 for veterans' deduction, at a rate of \$11.01 per \$100 of assessed valuation. In 1957 it was assessed at \$6,000, less \$500 at a rate of \$7.89 per \$100. What does this represent? Nothing less than a 200% tax increase (the Washington Township budget increased \$180%). George M's 26% increase (which I calculate to be 18%) in my estimation is digestible.

Here is the part that really hurts: What do I get for my tax money? Practically nothing. I have 360 feet of dirt road frontage and maintenance of the road has gotten worse with increased taxes. I provide for my own water, sewage and garbage disposal. I do not receive police protection and if a fire broke out, the house would be leveled before the volunteer fire department arrived. Schooling for my children (and I have five, three of school age)? Perhaps. This is debatable since I send my children to private school by choice rather than assignment. Other than schools, the only return I have for my tax money is the use of the "county library" and that is 20 miles away.

In line with Mr. Silberman's article, there is a "For Sale" sign hanging on a post just off our unmaintained road. But more than that, if one looks real close at the sign he will probably see the draped form of the "broken spirit" of —

M. R. MULLIGAN

Long Valley, N. J.

Farm Gravy Train

Editor, The Wall Street Journal:

In his letter to the States (July 8), Rep. Harold D. Cooley states that "a large portion of agriculture is in a desperate condition." Why does Congressman Cooley omit all mention of the profiteers of the farm subsidy program?

We read that one cotton farmer alone will collect more than \$200,000 from the government this year for not planting cotton. By what logic does Congressman Cooley justify this legalized looting of the tax bill?

Can a plant-owner collect \$200,000 a year from government for producing nothing? Can a landlord collect \$200,000 a year for letting his property stand vacant?

No decent American begrudges help to hardship cases. But nothing but contempt is generated when Congressmen deliberately use hardship cases to divert attention from rich profiteers of the farm gravy train.

MABEL G. BLISS

Cleveland Hts., Ohio

Let Supply and Demand Rule

Editor, The Wall Street Journal:

Do away with the farm parity price, let supply and demand rule as it did in the good old days. It would be a good thing to have some of the people of this country realize that some day we have to come to an end of this foolish spiral of wages and prices and dependence on the government.

I only wish more people could read the wonderful editorials which you write every day. I, myself, pass many of them on to my friends and business associates. Keep up the good work and let these lawmakers, including the Supreme Court, know how honest people feel about our wonderful country being ruined by the men in Washington.

DAINGERFIELD L. ASHTON

Alexandria, Va.

"Little England"

In This Post-Suez Era, Britain Pays More Attention To Domestic Problems, Less to Its Global Role

By WILLIAM HENRY CHAMBERLIN

LONDON—The Suez crisis of last November represents a watershed in British foreign and domestic policy. If it did not cause, it certainly speeded up what is a now marked trend toward a more self-contained, less global conception of Britain's role in the world.

In retrospect Suez to most Britons seems a rather sorry and ignominious affair. Perhaps half the people regret that there was a landing in Egypt at all; the other half that this landing was not pressed to a victorious conclusion. But one of the few bright spots in this gloomy picture is that the closing of the Suez Canal for several months did not inflict any irreparable or even deep wound on the precariously balanced British economy.

Apart from the temporary inconvenience of gasoline rationing, now ended, there was little economic harm from the Suez closing and the conclusion is being drawn that perhaps the Canal is not quite such a vital and indispensable "lifeline" as had been thought. Big tankers for the Cape of Good Hope route and a proposed new pipeline through Turkey may help lessen future dependence on the nationalized Canal.

Britain seems to have drawn two lessons from the Suez experience. First, it can no longer carry out unpaid the kind of punitive local actions which would have been taken as a matter of course in the nineteenth century, and even in the period between the two great wars. Second, the United States cannot be depended on to back up British action in all circumstances and showed itself willing to vote for United Nations resolutions condemning British action in Egypt.

Getting Out From Under

Now that the first reactions of hurt, indignation and frustration have subsided, certain logical conclusions are being drawn from these harsh lessons. The trend, and this is reflected both in defense and in economic policies, is toward a reduced Britain, with fewer imperial burdens and responsibilities. Thus there is less concern now than there was a few years ago about the state of British gold and dollar reserves, although these are admittedly too low for complete comfort.

There is also less feeling that overseas supplies of such raw materials as tin and rubber are all-important, because it is possible to manufacture synthetic rubber and there are acceptable substitutes for tin. It seemed in the first years after World War II that Britain was building up a cozy protected market throughout the large trading area represented by the sterling bloc, with the discriminations which exchange control imposed on imports from the dollar area and other parts of the world.

Now less emphasis is placed on this possibility. Countries in the sterling bloc, like India, which want to buy German and U. S. goods are finding means of doing this. Commonwealth countries like Australia and New Zealand, eager to find assured markets for wool and other raw materials in Japan, are reducing the tariff preference formerly given to British textiles.

While not ignoring opportunities to pick up a little additional trade in China and in the Soviet Union, Britain is looking mostly to Western Europe, with its proposed six-nation common market, as a commercial partner. Experience has shown that the volume of trade between the developed industrial countries is much greater than what is possible in dealings with undeveloped lands in Asia and Africa.

The new spirit in Britain of more reliance on internal effort and less on special currency arrangements with a group of overseas nations finds expression in a passage in a thoughtful article which Sir Sydney Caine, director of the London School of Economics, has contributed to Lloyd's Review.

Tricks and Disguises

"We cannot thrive for any long time," Sir Sydney writes, "on special markets, special export privileges, protection disguised as exchange control and all the rest of the tricks. We can only thrive if we produce as well and as cheaply as our competitors."

"I come, therefore, to the main point: that both our well-being and our greatness, in the sense of influence in the world, depend finally on what we do in our own country, not on external devices. Of course we need a large external trade for our well-being; but the fortunes of our foreign trade depend above all on our internal policies. Of course we may again build up an income from foreign investments; but to do that we must first build up a surplus to invest."

It might be added that much will depend on Britain's success in dealing with certain difficult problems raised by what is sometimes called over-full employment and the welfare state, and especially with the creeping inflation that has advanced farther here than in the U. S. All the same, the creation of a Britain stronger through economic health and solvency and with more modest aims in foreign policy is the goal of the Macmillan cabinet which took over after the Suez fiasco.

Pointing in the same direction is the new defense policy. It concentrates on giving Britain such a potential nuclear sting that it is hoped aggression will be deterred, while drastically cutting British arms in other ways. Another sign of retreat is the steady transformation of the old Empire into the new Commonwealth.

Fragments of Empire

Fragments of empire remain in Hong Kong, Aden and Cyprus, with the last two presenting local difficulties. But the trend seems unmistakable and irreversible. It is to what might be called a Little England such as existed in the first half of the eighteenth century, before Pitt set his country on the road to empire by the acquisition of Canada and of a firm foothold in India.

This Little England will feel closer to Europe and less concerned with events in remote parts of the world than Britain has been, perhaps, for the last two centuries.

Sen. Ellender Predicts No Change by Congress In Cotton Price Props

He Forecasts Rebuff to Benson's Plea for Setting Supports Below Legal Floor

WASHINGTON—Senate Agriculture Committee Chairman Ellender (D., La.) predicted Congress will rebuff an Agriculture Department request for more freedom to drop cotton price supports.

Undersecretary of Agriculture True Morse told Mr. Ellender in a letter last week that due to an additional reduction in the cotton surplus, the department might have to increase cotton price supports this year under existing law. He asked Congress to quickly give Agriculture Secretary Benson authority to set supports for cotton below existing legal minimums.

"I do not think the Congress will accommodate Mr. Benson," the Louisiana Democrat declared. Congress would not give the Secretary so much leeway in fixing price supports, Mr. Ellender said. And he added he doesn't

believe in a commodity-by-commodity approach to the farm price problem at this time.

"I have promised to do my best to have the Senate Agriculture Committee recommend a new farm program to Congress next year," Sen. Ellender said. "In the meantime I would remind Mr. Benson that if he finds the heat generated by the sliding scale a bit uncomfortable, he should recall that he was the one that built the fire."

In his letter Mr. Morse declared it is "urgent that legislation be enacted in this session of Congress, as we have recommended."

This reversed the Administration's previous stand. At a May 2 press conference, Mr. Benson said, "We are not in trouble immediately," and revision of the price support law "is not something that is particularly urgent."

His top aides have said they expect no action this year.

Mr. Morse predicted existing law "will require price supports for the 1957 cotton crop to be increased above the 28.15 cents per pound level" established last February, because "the surplus disposal and soil bank programs are working to pull down our (surplus) stocks." The department must reexamine the supply and demand situation before the marketing year opens August 1, and boost supports if surpluses have declined.

The increase, Mr. Morse warned, "will set the stage for surplus" by pricing cotton out of markets. He said action next year would be too late because "farmers will be far advanced with plans for their 1958 crop."

PEPPER... and Salt

Summer Project
I'll take an A.M. hammock
anooze
O.K'd by sun and breeze
If kids will mind their P's and
Q's
And bugs their D.D.T.'s.
—Jean Sartwell.

Mood Money
The wife had asked her husband for fifty dollars to do some shopping. The husband angrily refused and stomped out to the front porch to finish reading his newspaper. Suddenly his wife appeared. "Henry," she said sweetly, "could I please have ten dollars to tide me over until you're in a better mood?"

Summer Fun

At this time of the year we are usually swamped with vacation folders extolling the joys of various resorts. My complaint is that, while none of them spare the adjectives, they all lack originality. I sat down and thought of a few different approaches that might or might not attract vacation fun-seekers.

Try Lake Wa-Wa. The fish don't bite but the mosquitoes do. They're so big that when somebody slaps them they slap back. They have so much blood they donate it to the Red Cross.

Visit Heebe-Jeebe Resort. We have no fishing, hunting, hiking or golf and the scenery is awful, but we have the finest bar in the state. This won't be



"Don't let it worry you that you don't appear to be getting anywhere in the firm, Olsen—we don't EXPECT all our employees to."

Spending your holiday at Falling Arch Inn. Our hotel is five stories high and we have no elevator. You'll have the climb of your life.

Deification—
Old Maid: Just a woman who failed to realize that a husband is a lot easier to find than an ideal man.

Reading

for Pleasure

Cherished Eccentrics

Cherish the eccentrics around you. For under a democratic political system at least some will make a significant contribution.

That about sums up "The Lunatic Fringe" by Gerald W. Johnson, historian and journalist. His book is a highly entertaining account of 13 of these folk, including Theodore Roosevelt who invented the phrase. There are other names almost as well known in Mr. Johnson's gallery of "lunatics": Thomas Paine, Horace Greeley, John Peter Altgeld and Carry Nation.

Mr. Johnson is a very sharp writer who, we suspect, could make your town character sound (a) like a lunatic (b) like an important lunatic and (c) in the end less of a lunatic than you are. At any rate he succeeds in doing this with some material which on the surface seems highly unpromising.

As for his basic thesis, we can at least wonder. Can't eccentric personalities make a contribution to almost any political system—including a Nazi or Red Russian one? On the other hand, don't they also contribute mightily to the worlds of business and art and philosophy? We wonder, too, just how much real good there is in some of the schemes of eccentrics which Mr. Johnson applauds as having been "proved" good.

For example, he recalls that the solutions proposed by the Populists for the farm problem have been largely adopted, and therefore are "good." Well, Mr. Johnson should take another look and see if the problem is "solved" any more than it ever was.

Too, he notes that some monetary ideas of John Harvey and the Greenbackers have been adopted, namely "elasticity" of currency, which has made it subject to manipulation by Government instead of robber barons. Sorry, Mr. Johnson, but we just bought about \$10 worth of groceries for \$20, so we can't applaud Government manipulation either.

Don't get us wrong. We are fond of both Mr. Johnson's book and of the eccentrics themselves; we also believe they are an important lot because they were willing to shake things up a bit and try something different.

Of all his collection, we found the ladies in it the most interesting. He believes Carry Nation was the only real (psychologically speaking) lunatic in the gallery and she did die in an asylum.

Married as she was to a perpetual drunk one can understand why she got upset by the saloons. One can perhaps understand also why she was anti-Mason, since her spree-riding husband invariably took refuge from her in the lodge hall where no women were allowed. It is more difficult to understand her violent smashing of saloons with her famous hatchet, and her inciting to riot and disregard of the law generally.

Ladies looking for trouble, too, were the Grimke sisters—Sarah and Angelina. They were, in Mr. Johnson's words, "South Carolina aristocrats who between 1830 and 1835 turned Abolitionist and later Feminist and raised hell (or Sherman said war is hell) all over the country for thirty years."

A sample: Angelina wrote a pamphlet entitled "Appeal to the Christian Women of the South." "The women of the South can overthrow this horrible system of oppression and cruelty, licentiousness and wrong," she wrote. And, Johnson notes, "it blighted not only because there was some truth in it, but because it was deliberately contrived to incite a feminine revolt under the magnolias."

The sisters subsequently barnstormed the North, whipping up sentiment for both abolition and women's rights. Why were they important? "They were free spirits, and every free spirit is an addition to the wealth of the nation," Mr. Johnson avers.

We are not so sure about that, but even freer was the spirit of the most fascinating of Mr. Johnson's gallery—Victoria Claffin Woodhull. This ravine beauty got her start in a medicine show; she died the wife of a British banker. In between she became a national figure in this country as an advocate of Feminism. Part of her contribution was from the lecture platform; part was in her smashing of tradition of male dominance. For example, she opened a brokerage office in Wall Street and ran a highly successful weekly newspaper.

Women's rights were not an abstract thing with Victoria Claffin Woodhull. "Her adulteries had been numerous and notorious," Mr. Johnson reports. "The sting of . . . comment . . . turned her mind more and more to the invidious position to which women were relegated by the manners and customs of the times. . . . She was a Feminist not because the position of women in 1848 was unjust and disabling to half the human race but because it was unjust and disabling to a specific individual, to wit, Victoria Woodhull." Her impact was tremendous.

Of course, what Mr. Johnson is saying with his gallery of lunatics is that many of them weren't so loony in the perspective of history. The question then becomes: Which members of today's lunatic fringe will be "proved" proper prophets? And which—like most of Mr. Johnson's—will be proved only interesting?

—JOHN F. BRIDGE

The Lunatic Fringe. By Gerald W. Johnson. Philadelphia: Lippincott, \$2.95.

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Who's News

Personnel Notes—Management—

Commerce and Industry

Standard Oil Co. (Cleveland, Ohio)—Richard S. Stewart was named vice president, production.

Fischer and Porter Co. (Hartford, Pa.)—Edgar F. Rulon was named a director and vice president, finance, of this maker of process instrumentation systems.

Radio Corporation of America (New York)—Charles M. Odorizzi was elected as director.

United Carr-Fastener Corp. (Cambridge, Mass.)—Gunnar A. Johnson was elected president of Columbia Fastener Co., Chicago, a subsidiary.

Northern Natural Gas Co. (Omaha)—Fred C. Koch was named a director.

H. J. Heinz Co. (Pittsburgh)—Lewis A. Lapham, president of Grace Line, Inc., was named a director.

National Broadcasting Co. (New York)—Robert E. Kintner and Emanuel (Manie) Sacks were elected directors.

Lohn & Fink Products Corp. (Bloomfield, N. J.)—James W. Newman was named treasurer of this producer of disinfectants, cosmetics, and pharmaceuticals.

Paramount Pictures Corp. (New York)—George Weltnier was named vice president in charge of world wide distribution of pictures.

National Telefilm Associates

**Libbey-Owens-Ford
Second Period Net Fell
Slightly Below '56 Mark****Half-Year Profits Off 5%, Sales
Trailed Last Year by 12%; Drop
In Housing, Auto Orders Cited**

By a WALL STREET JOURNAL Staff Reporter

TOLEDO—Libbey-Owens-Ford Glass Co.'s indicated second quarter net earnings slipped slightly to \$6,037,237 from the \$6,168,979 posted in the like 1956 period.

Net for the six months ended June 30 fell 5% to \$14,279,561 or \$2.74 a share, compared with last year's half-year earnings of \$15,084,465, the company said.

The company, in releasing six-month sales figures for the first time, said volume for the period trailed last year's half-year total by 12%—\$118,732,929 to \$135,246,916 in 1956.

Three reasons cited by the company for the decline in sales during the first six months are: "Fewer housing starts, reduced automotive glass orders, and continued invasion of domestic markets by foreign glass from low-wage Asiatic and European countries."

Sales of plate glass for commercial construction contributed "importantly" to glass sales, the company said. It added that demands for mirror and automotive glass continued at approximately the same levels of prior months this year.

The company has recently introduced a twin-ground, gray polished plate glass, designed for curtain wall construction. The glass is heat absorbent, the company said.

LIBBEY-OWENS-FORD GLASS CO. reports for six months ended June 30:

	1957	1956
Earnings per share	\$2.74	\$2.85
Sales	118,732,929	135,246,916
Net before income taxes	23,750,561	25,949,465
Income taxes	13,671,000	10,865,000
Net income	14,279,561	15,084,465
Capital shares	5,219,174	5,316,321

For the quarter ended March 31, last, Libbey-Owens-Ford reported net income of \$8,252,324, equal to \$1.58 a share, compared to net income of \$8,915,486, or \$1.71 a share, in the like 1956 period.

General Instrument

GENERAL INSTRUMENT CORP. reports for quarter ended May 31:

	a-1957	1956
Earnings per share	\$1.06	\$1.29
Sales	7,042,565	\$5,668,627
Net before income taxes	77,454	84,255
Income taxes	1,373,273	1,373,273

a-Includes sales and earnings of Micromed Electronics Manufacturing Corp. and T. S. Farley, Ltd. of Canada, both acquired after the close of the first 1956 quarter. The report does not include sales and earnings of Radio Receiver Co., Inc., in which General Instrument acquired a controlling interest in April, 1957, b-Net loss.

Martin H. Benedek, chairman of General Instrument, said current projections for the first fiscal six months, based on orders in hand, indicate "continuing progress and substantially higher earnings than for the first half of 1956." The firm's fiscal year ends next February 28.

He said the rise in earnings for the first fiscal quarter, compared with the year-earlier period, reflected the company's "wider" diversification in industrial and military electronics, through acquisitions and new product development. General Instrument's diversification program is providing "a broader product cushion against fluctuations of the television and radio market," he said, "while allowing the company to maintain its position as a major supplier of components in the field of 'entertainment' electronics."

During the second half of 1957, he said, the company looks for increased sales for its new TV tuners, deflection components and other products.

Hercules Powder
Hercules Powder Co. reports that net earnings available for the common stock in the quarter ended June 30, 1957, were equal to 55 cents a share, compared with 63 cents in the June quarter of 1956.

For the six months ended June 30, last, the company earned \$1.03 a common share, as compared with \$1.18 for the first half of 1956.

Net sales and operating revenues for the six months period were \$124,732,266 compared with \$120,433,778 in the like 1956 period.

Allied Chemical & Dye

ALLIED CHEMICAL & DYE CORP. reports for quarter ended June 30:

	1957	1956
Earnings per share	\$1.22	\$1.29
Sales and operating revs.	183,629,116	175,641,782
Gross income from oper.	22,132,184	22,221,009
Divs., int. and misc. income	1,171,148	1,089,231
Total income	23,303,332	23,310,240
Income taxes	1,823,215	1,823,215
Net income	21,480,117	21,487,025
Capital shares	9,921,161	9,912,383

Six months ended June 30:
Earnings per share \$1.22 \$1.27
Sales and oper. revs. 349,463,213 341,684,435
Gross income fr. oper. 40,468,711 47,129,209
Divs., int. and misc. inc. 2,303,383 2,301,253
Total income 42,772,094 49,430,462
Income taxes 2,646,420 2,646,420
Net income 40,125,674 46,784,042
Federal income taxes 16,878,068 20,165,000
Net income 23,247,606 26,619,042
a-Adjusted for 3% stock dividend in December 1956.

Aro Equipment

ARO EQUIPMENT CORP. reports for six months ended May 31:

	1957	1956
Earnings per common share	\$1.22	\$1.91
Net before income taxes	1,370,550	942,889
Income taxes	658,750	302,529

a-As reported by company after allowing for preferred dividends.
The company's results for the first six months of 1957 were affected by a five-week strike at the Cleveland plant from May 1 to June 5.

Standard Packaging

STANDARD PACKAGING CORP. Consolidated report for the 24 weeks ended June 16:

	1957	b-1956
Earnings per com share	\$1.22	\$1.17
Net sales	17,398,779	15,310,867
Net income after taxes	1,162,973	845,783

a-After preferred dividends and based in both periods on the 1,500,500 common shares outstanding on June 15, 1957. b-Restated by company to include operations of merged subsidiaries and to reclassify certain items for comparison with 1957. c-Includes profit on sales of assets, after income taxes, of \$55,886, or three cents a share for the 24 weeks ended June 16, 1957, and \$107,780, or seven cents a share for the like 1956 period.

Piper Aircraft

PIPER AIRCRAFT CORP. reports for the nine months ended June 30:

	1957	1956
Earnings per common share	\$2.74	\$2.94
Sales	31,523,508	30,361,883
Net before income taxes	5,335,116	4,961,173
Income taxes	2,430,006	1,815,833
Net income	2,905,110	3,145,340
Common shares	883,067	879,896

c-After dividends on preferred stock then outstanding. d-Includes provision for reorganization.
For the six months ended March 31, 1957, Piper Aircraft reported net income of \$1,592,100, equal to \$1.80 a common share, compared with net income of \$1,885,492, or \$2.17 a common share, in the like 1956 period.

Continental Illinois National

CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO. (Chicago): Principal items from the bank's condition statement as of June 30, 1957, compare as follows (000 omitted):

	June 30, '57	June 30, '56
Total resources	\$2,540,633	\$2,422,805
Loans & discounts	1,186,557	1,063,740
U. S. Government securities	573,829	717,728
Deposits	2,250,344	2,359,867
Cap. surp. & undiv. profits	377,558	339,657

**Cooper-Bessemer Says
First Half Earnings
Were Near Estimates**

By a WALL STREET JOURNAL Staff Reporter

MT. VERNON, Ohio—While final figures for Cooper-Bessemer Corp.'s first half will not be available for about two weeks, indications are that earlier predictions will be attained, E. L. Miller, president, said.

Earlier this year the company estimated sales for the six months ended June 30 would rise to \$34 million with earnings between \$2.25 and \$2.50 a share on stock presently outstanding. In the first half of 1956, Cooper-Bessemer had sales of \$36,430,000 and net equal to \$1.11 a share on present shares.

The company entered the second quarter with a \$37,200,000 backlog of orders on its books but continued heavy production on a six-day week with some Sunday work cut the backlog to around \$29 million at the end of June. This month, however, backlog has risen slightly, Mr. Miller said.

With pressure of the backlog eased, operations in the last half will be slowed, with overtime work reduced. This should result in a drop of about 8% in shipments in the final six months of the year, compared with the first half. Earnings, however, are expected to maintain the rate of the first half since costs will decline with the reduction of overtime.

As a result, for the year Cooper-Bessemer is expected to ring up record sales of nearly \$70 million and net between \$4.50 and \$5 a share. In 1956, Cooper-Bessemer had record sales in excess of \$61 million and net of about \$3.72 a share, based on present shares.

Cooper-Bessemer is a major producer of large gasoline and diesel engines and compressors, principally for the oil, gas and chemical industries.

Muskogee Co.

MUSKOGEE CO. reports for the six months ended June 30:

	1957	1956
Earnings per com share	\$1.03	\$1.39
Net income after taxes	207,786	280,712
Common shares	202,183	202,183

**General Tire Earnings
In Second Fiscal Period
Rose Sharply Over '56****Sales for Half Year Ending May 31
Passed \$200 Million First Time;
6-Month Net Is \$3.36 a Share**

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—General Tire & Rubber Co.'s indicated net income for the three months ended May 31 rose sharply to \$3,564,461 from \$1,754,191 in the second fiscal quarter last year.

Sales for the first half of General Tire's fiscal year passed \$200 million for the first time, William O'Neil, president, reported to stockholders.

Earnings for the six months to May 31 totaled \$5,814,861, equal to \$3.36 a share on 1,504,000 shares outstanding, against \$4,027,431, or \$2.68 a share on 1,379,473 shares, in the like period last year. Sales for the first half were \$205,968,169, against \$177,796,433 in the 1956 period.

Mr. O'Neil said that exclusive of earnings of RKO Teleradio Pictures, Inc., a subsidiary, which have been consolidated only since November 30, 1956, the company's earnings for the first half of fiscal 1957 were ahead of the comparable 1956 period. He also told stockholders all divisions continued to show gains, with the tire division "well ahead" due to public acceptance of the concern's new "Dual 90" passenger tire.

GENERAL TIRE & RUBBER CO. and subsidiaries report for six months ended May 31:

	1957	1956
a-Earnings per common share	\$3.36	\$2.68
Net sales	205,968,169	177,796,433
Net before income tax	10,889,861	8,377,431
Federal income taxes	5,075,000	4,350,000
Net income	5,814,861	4,027,431
Net after pfd divs	5,804,819	3,298,518
Common shares	1,504,000	1,379,473

a-After preferred dividends.
For the quarter ended February 28, last, General Tire reported net income of \$3,230,460, equal to \$1.95 a common share, compared with net income of \$2,375,340, or \$1.69 a share, in the like 1956 period.

**June Retail Sales Fell 0.5%
Commerce Department Says**

WASHINGTON—The Commerce Department reported retail sales in June declined 0.5% from the previous month.

Before adjustment for seasonal factors, the report said sales were down 2% to a volume of \$16.7 billion in June. The department said it was in the process of revising its retail trade report and no other statistics were given.

Each month the department puts out an advance report on retail sales for the previous month. This early report is based on a survey of about 1,700 retail firms that operate some 35,000 stores throughout the country. A more detailed report is published later each month.

Detroit Bank & Trust

DETROIT BANK & TRUST CO.: Condition statement as of June 30, 1957, shows total resources of \$1,001,684,043, loans and discounts at \$237,875,561, real estate loans of \$129,500,309, and U. S. government securities of \$341,361,389. Deposits total \$925,596,919, of which \$396,685,869 were savings and time deposits. Capital, surplus and undivided profits amount to \$61,912,471.

National Shares Corp.

NATIONAL SHARES CORP. reports net assets: June 30, '57 Mar. 31, '57 June 30, '56
Net assets per share \$24.81 \$22.59 \$23.33
Net assets at market 24,583,903 24,327,171 25,181,115
Capital shares 1,080,000 1,080,000 1,080,000

Income statement for six months ended June 30:

	1957	1956	1955
a-Income from divs. etc.	\$314,789	\$304,279	\$225,558
b-Net profit after taxes	241,517	1,663,020	550,192
c-After expenses and taxes, but exclusive of security transactions, b-Carried to surplus account.			
At June 30, 1957 securities owned, carried at average cost of \$13,899,406 had a market value of \$26,537,812.			

Colonial Stores

COLONIAL STORES, INC. reports for 24 weeks ended June 15, 1957, as follows:

	24 weeks ended June 15, '57	24 weeks ended June 15, '56
a-Earnings per share	\$1.99	\$1.98
Net sales	198,213,805	192,220,802
Net before income taxes	5,535,098	5,476,210
Net income after taxes	2,874,098	2,847,210

a-After preferred dividends and based in both periods on the 2,622,103 common shares outstanding on June 15, 1957.

**B & O Reports Rise
In Revenues, Decline
In Net for 6 Months**

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—Gross revenues of Baltimore & Ohio Railroad Co. rose slightly in the first half to about \$285,900,000 from \$235,537,525 in the like 1956 period. Howard E. Simpson, president, said.

Net dropped to "about \$12.4 million," equal to \$4.37 a share and a decrease of around \$1,600,000, or 11.4%, from \$14,022,859, or \$5.03 a share, in the first six months last year. He added, however, that for the year as a whole, "we are hopeful" that 1956 net of \$30,037,261, or \$7.50 a share, will be matched.

Lower first half net was due largely to a higher tax situation this year than a year ago, Mr. Simpson said, but he indicated there were several other factors, including a decline in the output of steel and autos, which he said were sources of "more remunerative traffic." B. & O.'s carloadings for the first six months "were about 1,500,000, around 100,000, or 6.5% less than the like period last year," he said, with coal, which accounts for 44% of the railroad's revenue ton miles and 37% of its revenues, "down just a little." He added, however, that the coal "outlook is good" and that he thought coal loadings "might balance" in

the second half with possibly an increase for the year as a whole over 1956. The decline in steel production in the first six months was reflected in a 6% decline in steel loadings in the first half from last year.

"Based, however, on what the steel people say, steel production in the last six months will show an improvement over the first six months," Mr. Simpson said, and he added: "From what we see and hear it is probable that sufficient steel will be produced for our loadings in 1957 to equal 1956."

Sangamo Electric
SANGAMO ELECTRIC CO. reports for six months ended June 30:

	1957	1956	1955
Earnings per share	\$2.23	\$1.92	\$1.37
Sales	23,778,000	22,489,500	17,061,800
Net before income taxes	3,834,000	2,789,540	2,533,541
Net income after taxes	1,787,000	1,537,540	1,254,541
Capital shares	801,496	800,190	800,000

a-Gives effect to non-recurring loss of \$109,001, equal to 14 cents a share, after applicable federal income taxes. For the quarter ended March 31, 1957, Sangamo Electric reported net income of \$352,000, equal to \$1.19 a share, compared with net income of \$733,481, or 93 cents a share, in the like 1956 period.

Minneapolis & St. Louis

MINNEAPOLIS & ST. LOUIS RAILWAY reports:

	1957	1956	1955
a-Earnings per share	\$1.36	\$1.72	\$1.87
June gross	1,253,136	1,715,574	1,896,180
Net before income taxes	178,234	167,514	152,831
b-Net income	118,803	158,792	144,238
Six months gross	11,433,004	18,678,627	8,789,508
Net before income taxes	940,004	905,035	791,527
b-Net income	611,161	604,791	483,454
Capital shares	723,600	740,500	753,600

a-For six months ended June 30, b-After taxes and charges.

ORGANIZING

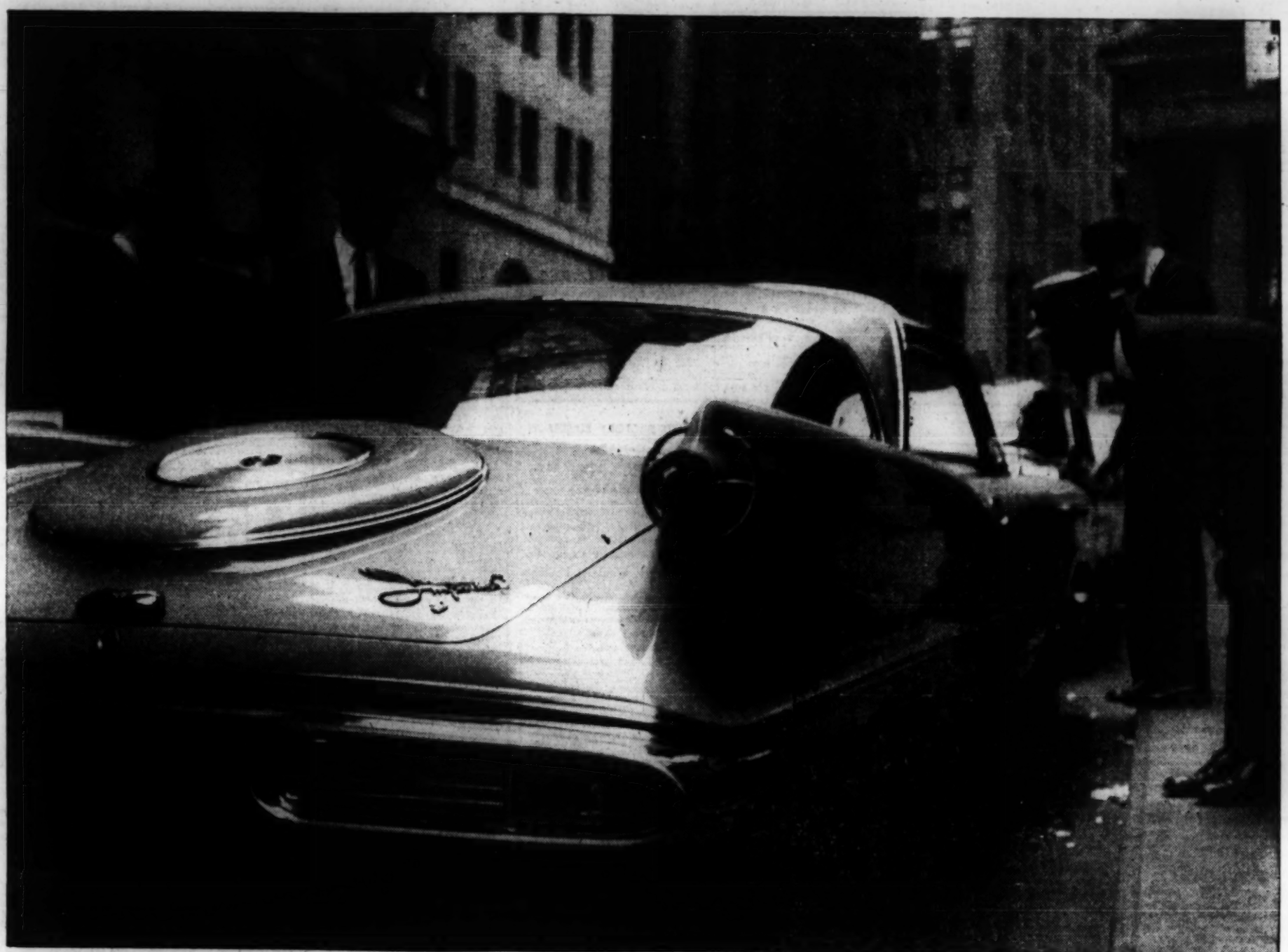
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Monday, July 15, 1957

Freeport Sulphur Gets Nod for Gulf Deposits

Seaton Approves Proposed Contract Between Firm, Humble Oil; Output Must Start in 1958

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—Interior Secretary Seaton cleared the way for Freeport Sulphur Co. to

begin mining vast Gulf of Mexico sulphur deposits. The sulphur was discovered on the 35,000 acres of submerged land six miles off the Louisiana Coast by Humble Oil & Refining Co. The land was originally leased from Louisiana but is now under Federal control. Humble didn't want to mine sulphur itself, since it was seeking oil and gas, and asked Uncle Sam's permission to turn the find over to Freeport. Freeport has announced plans to use the so-called "Frasch hot water process" to tap the deposits. Under this process, super heated water is fed continuously into the deposits to

melting the sulphur, which is then forced to the surface through wells. Under terms of the Interior Department's clearance, Freeport will be required to go into production by November 1, 1958. Interior Department officials said the question wouldn't have come up if the leases had been among those sold by the Government. Federal leases permit either sulphur or oil development, but not both. State-owned leases, however, allow development of several minerals. Mr. Seaton said the Justice Department reported the transfer of rights wouldn't violate the antitrust laws. The antitrust inquiry stemmed from the warnings of Sen. O'Mahoney (D., Wyo.) that giving the sulphur find to

Freeport would increase concentration in the sulphur industry. Under the contract signed by Humble and Freeport, the sulphur producer will pay basic royalties to the Federal Government and then split with Humble the after-tax profits from the sulphur operation. Freeport already operates three sulphur mines in the coastal marshes. Plans call for Freeport to ship the molten sulphur in insulated barges to Port Sulphur, a storage and shipping point on the Gulf Coast. On the return trip, the barges will haul fresh water for the boilers. Gulf water, however, will be used for injection into the wells at high temperatures.

W. R. Grace, French Firm Plan Joint Silicon Venture

NEW YORK—W. R. Grace & Co. announced it has formed with Pechiney of France a company to produce and market in the U.S. elemental silicon, used as a semiconductor in transistors and other electronic equipment. Details of the venture were not disclosed but J. Peter Grace, president of Grace, said the agreement between the two firms calls for the new company to produce silicon using a Pechiney developed process. The arrangement also includes agreements covering all

types of semi-conductors Pechiney might develop," Mr. Grace noted. Pechiney, a leading French chemical concern, already is producing silicon in France and under the terms of the agreement with Grace will be selling silicon in the U.S. within a month, it was reported. Spokesmen for Grace said the new firm will build a plant in the U.S. which could begin producing in the summer of next year. Annual capacity of the plant was not determined but it was estimated capacity could reach 20,000 pounds within a year after the plant comes on stream. Location of the plant was not announced.

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GRADUATE ELECTRICAL ENGINEER

28 years old, military training completed, 1 1/2 years experience as engineer. Excellent financial. Desires a position in sales engineering. Box Y-206, The Wall Street Journal

ENGINEER, 34, 10 yrs. exp. Eng.

Dept. of Bell System operating. B.S. in E.E. M.S. in E.E. Transmission and Equipment exp. with radio and carrier systems. B.A.G. Communications. Seeking responsible position with progressive Co. Opportunity for progress and advancement. Important—U.S. or Canada. Box A-114, The Wall Street Journal

ATTORNEY—ACCOUNTANT

Young. Excellent legal background. Law Review. Recent Columbia graduate degree in accounting. Seeking long term position with expanding corporation. Resume and references furnished upon request. Box Z-3, The Wall Street Journal

CHEMICAL MANAGER—20

years experience Vice-President. Works and sales manager. Chemical engineer. Thorough grounding in all phases of management. Excellent record of accomplishment in chemical-synthetic resin manufacture and sales. Age 45. Available immediately. Box Y-206, The Wall Street Journal

FACTORY MANAGER

Young aggressive executive, 18 years experience production, purchasing methods and administration. Light manufacturing field. Desires re-locate South or Puerto Rico. Current earnings \$20,000 plus. Box A-102, The Wall Street Journal

SALES AND PURCHASING AGENT

Top level experience dealing with commerce and industry agencies of the Soviet Union. Available for immediate service. Box Z-5, The Wall Street Journal

MGMT ENGR. Carnegie Tech grad

B.S. in Indust. Mgt. Age 33 2 yrs exp. in methods, cost reduction, design, systems, economic surveys. Desires staff position preferably in N.Y. metro area. \$7500. Alberta Smith Agency, 1500 Palfrey St., N.Y.C. RE 2-9758. Ats. Loretta Broderick.

PRODUCTION PLAS RESEARCH

3 yrs exp. 1200 prodn. analytical mind. Top mgt. top level sales bkgd. Age 37 seeks opp. as PLAS.

Box A-100, The Wall Street Journal

SECURITY ANALYST experienced and

expert in selecting growth stocks, writing analytical reports discovering special situations; managing portfolios, underwritings. Box Y-207, The Wall Street Journal

Former Army Officer, College grad,

24, single, mature, aggressive. Desires sales position with growth firm. Available in Sept. Box A-100, The Wall Street Journal

PRODUCTION PLAS RESEARCH

3 yrs exp. 1200 prodn. analytical mind. Top mgt. top level sales bkgd. Age 37 seeks opp. as PLAS.

Box A-100, The Wall Street Journal

INEX CURVED, REALTOR

4839 Wisconsin Ave., N.W., Washington, D.C. EMBURY 2-2232

POSITIONS WANTED—MALE

For Sale Successful China Glass

ware business. Established in 1915 in one of the fastest growing communities in California. Assured of a steady and permanent payroll. We are located in State Capitol Sacramento, California. Grossed \$235,000 last year. Can be tripled. Long lease. 5 to 15-year option no increase lease. Positively no financial statement mailed unless you are interested and will take your time to investigate. Approx. \$100,000 in stock inventory is all we are asking. If you are not financially able do not waste our time. Any reasonable offer accepted.

Sacramento Glass & Crockery Co.

Attn: Mr. B. E. Wood, 1000 Third Ave., Sacramento, Calif.

HARDWARE & SPORTING

GOODS STORE

In Colorado's Best Community. Established, highly rated retail store doing about \$200,000 a year. Well located in substantial, growing area where year-round demand for full line. Favorable long-term lease, experienced staff, clean inventory. Sale price under \$150,000 cash, principals only. 5 year net about 14%.

Write Box CT-176, The Wall Street Journal

Business Connections

Manufacturer's Agent for FOREIGN MARKETING. Young, aggressive with WORLD-WIDE personal contacts developed through 10 years sales travel abroad, maintains NYC office, interested in representing major manufacturer of nationally advertised line for whom will set up overseas distributor network. Please write: Box A-108, The Wall Street Journal

MPR'S REPS. WANTED

Midwest Screw Mach. Prods. Mfr. specializing only in long run work. Principally form & cut-off and secondary operations. Also special equip. to produce long parts economically. Max. cap. interested in principals with established position in non-automotive fields for immediate results. Write qualifications: Box CS-142, The Wall Street Journal

Well integrated Texas oil company

seeks NYC man who can supply venture capital for wildcat, proven and production deals. Send resume. Quick, confidential reply. Box 18-102, The Wall Street Journal

Italian Representation

Seeking representation for Chemical products or other products for Italy. Alfredo Alois, Hannover St. Box 24, Boston, Mass.

Businessman leaving for Paris August

1, situations wanted. Anything handled. Endliest 9-8010.

Gulf Coast drug manufacturer just

moved from Chicago wants allied lines or partner. Box A-106, The Wall Street Journal

CAPITAL TO INVEST

This advertisement is addressed to those companies whose financial position is poor and who lack adequate capital to operate properly. If you manufacture products which have a substantial market and if you have at least \$100,000.00 of invested capital in your business, we will loan you the necessary funds to place your company on a proper financial footing. In addition our advice should enable you not only to effect savings but also to generally strengthen your competitive position. All communications will be held in strict confidence. Principals only need apply. L. C. Brayson Corporation 1330 Beacon St., Brookline, Mass. RE 3-0547

\$250,000 AVAILABLE

for consumer financing or loan co. seeking additional capital for expansion. Active or inactive participation will consider. Write full details. Confidential. Box A-97, The Wall Street Journal

Executive will purchase established

franchise, or invest in established business in Northern Ohio. Write full details. Confidential. Box Y-200, The Wall Street Journal

BUSINESS SERVICE

ALASKA

WORK AND LIVE For information regarding employment, homeostating, commercial fishing, trapping, farming, mining and living conditions, send addressed envelope to Northern Service Co., P.O. Box 408, Fairbanks, Alaska

BUSINESS OPPORTUNITIES

MOTELS

(1) This 40 room motel is within one mile of Washington D.C. Masonry and steel construction and new in 1955. Owners net earnings (repeat) \$25,000 in 1956 and \$10,000 cash required. Owners will take back long term mortgage.

(2) This 35 room motel of striking appearance is located in famous Virginia college city. One of the finest in appearance and quality. \$250,000. \$50,000. \$200,000. Cash \$30,000. Required. Balance for long term at 5%.

(3) One of the nation's finest located in the rich tobacco area. Grossing over \$2500 per room annually. Well established terminal business leaving only 10% for tourist trade. Cash down \$10,000.

(4) Maryland—at an industrial city "Quality" court including a fine restaurant. Beautiful fully air conditioned home. Gross income \$45,000. Cash down \$25,000.

(5) North Carolina—fine forest area of 20 brick units and attractive owners home. Gross above \$20,000. Price \$100,000. Small cash.

INEX CURVED, REALTOR 4839 Wisconsin Ave., N.W., Washington, D.C. EMBURY 2-2232

BUSINESS OPPORTUNITIES

OWNER RETIRING

EXCELLENT OPPORTUNITY

For Sale Successful China Glassware Restaurant Hotel club supply company. Established in 1915 in one of the fastest growing communities in California. Assured of a steady and permanent payroll. We are located in State Capitol Sacramento, California. Grossed \$235,000 last year. Can be tripled. Long lease. 5 to 15-year option no increase lease. Positively no financial statement mailed unless you are interested and will take your time to investigate. Approx. \$100,000 in stock inventory is all we are asking. If you are not financially able do not waste our time. Any reasonable offer accepted.

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BUSINESS OPPORTUNITIES

Most sell—Wholesale Nursery—Ex-

cellent Reputation—400 Active Accounts—Annual Volume \$10,000 to \$100,000—Completely Equipped and Mechanized—33 Acres Land Warehouse—2 Greenhouses—1 Car Garage. Attached Office. Inventory over \$200,000. Asking Price, \$185,000. Tax Loss Available—Liquidation Possible. Owner Wishes to Retire. VANDERBROOK NURSERY, INC. MANCHESTER, CONN. Phone MI 3-4854

SMALL ELECTRONIC COMPONENT

MANUFACTURER DESIRES DIVERSIFICATION We wish to buy or merge with a firm manufacturing an item or items such as resistors, capacitors, crystals, etc. Profit potential only requisite. Write Box A-107, The Wall Street Journal

FOR SALE

Fibre Fray: Nylon, Rayon Makers Step Up Scrap for Tire Market

Continued From First Page

nylon competitive threat was illustrated vividly by last year's bitter price battle. This started in March, when Du Pont cut the price of its nylon tire yarn sharply to \$1.30 a pound from the previous \$1.48 as part of a general revision of nylon prices. The rayon yarn makers immediately went on a price-slashing spree to preserve their low-price edge—and took painful slices out of their profits in doing so. By the end of the year rayon yarn prices had tumbled nine cents a pound—and in the process American Viscose's 1956 profits fell 40% below 1955, Industrial Rayon's 57%, and American Enka's 67%. Prices of nylon and rayon so far this year have been stable.

Nylon Gains

Here is the way the battle map now looks: Tire makers will turn out about 110 million tires this year. Nylon's high resistance to heat and impact already have gained for the fibre almost all of the one-million-unit-a-year aircraft and off-road construction machinery tire market. DuPont predicts its fibre this year will also go into about 35% of the estimated 15 million truck and bus tires produced. In the replacement passenger car tire market, estimated at about 50 million tires this year, DuPont claims about 40% for nylon.

But nylon will go into only a tiny share of the tires that serve as original equipment on Detroit's assembly line creations. About 99% of these 32 million tires will use rayon cords this year.

DuPont officials already are claiming privately that rayon will be out of the running in five or six years. Openly, a DuPont spokesman at the company's Wilmington, Del., headquarters will only go so far as to predict, "Nylon will continue to penetrate the tire cord market next year."

Rayon Will Stay

But Harry L. Dalton, vice chairman of Avisco, declares: "Rayon tire cord will be around for a hell of a long time."

Both sides are fencing for the car owner's acceptance of their fibres.

Avisco, for example, will kick off a consumer ad campaign for rayon cords in the July 20 issue of the Saturday Evening Post. It also is publicizing, with Ford Motor Co., the Tournament of Thrills, an auto stunt driving show which began a nationwide tour Memorial Day at the Rose Bowl. The show gives both Ford cars and rayon cord tires nice plugs.

Other cord producers like American Enka, Beantown and Cleveland's Industrial Rayon Corp. are pitching dollars into an expanded ad and promotional campaign of the American Rayon Institute, a trade group for the rayon industry.

Rayonier Attacks

Rayonier, Inc., of New York, a major supplier of raw materials to rayon producers, has cut loose with an attack on nylon. Take, for example, the ad run in several national magazines such as Time, last month.

It started off: "Let's get some facts straight about tire cord and your safety." It went on: "You've heard a lot of chatter lately about tire cord. You may not have heard the facts." It proceeded to remind readers that over 99% of all land speed records have been set on rayon cord tires and over 99% of all 1957 model cars are equipped with rayon tires at the factory. The ad also takes a slap at "the other tire cord that is premium priced," referring to its "thumping flat spots."

Pleased with the response to its ad, Rayonier has decided to rerun it in two magazines next month, says a spokesman in New York.

Chemstrand and Children

But in the same issue of Time in which Rayonier's ad appeared was a full page color spread by Chemstrand showing a cowboy-suited child framed by a tire. The ad said: "When your child's safety rides on a tire, you're safer with nylon. With precision cargo like this you want your car to be as safe as possible. Shift to nylon cord tires."

Rayon men are yelling about the Chemstrand ad. "That hit below the belt," blurted

an official of one rayon company. "After all, we know very few passenger car tire blow-outs are due to failure of rayon cord." It's no secret, either, that Avisco is irritated with the Chemstrand ad, despite its 50% ownership of Chemstrand. Monsanto Chemical owns the other half.

How do tire makers—who make both—feel about the two fibres? Basically, they like nylon's toughness and lightness. Undoubtedly, they aver, it makes a safer tire, though they admit the added safety margin is not needed by most motorists. But they are keeping an ear cocked to the demands of their sales departments.

"Nylon has a tremendous sales appeal," says Harry Schrank, executive vice president of Seiberling Rubber Co. in Akron.

DuPont Pushes Nylon

Few in the rubber industry doubt nylon's gains have, to a large extent, been due to an aggressive promotional campaign by DuPont, which spent more than \$1 million advertising nylon cord last year. This year, a DuPont spokesman says, the ad outlay "probably will be a bit higher." There have been instances of tire dealers advertising tires made of "DuPont nylon," trading on the name of DuPont as well as nylon.

At least one manufacturer, General Tire & Rubber Co., has struck out on its own, insisting that its prime tire cord is "Nylon." It quizzed closely, General Tire executives acknowledge Nylon is nylon plus the company's special processing technique. The name Nylon is apparently catching on judging by the remark of a Cleveland Cadillac owner. Asked whether he has ever used nylon tires, he replied: "Oh, I have something even better than nylon—it's called 'Nylon.'"

And three months ago Goodyear came out with a nylon tire priced nearly 20% below any nylon tire it previously had offered.

Second Line Tires

The new Goodyear tire is what tire men call a "second line," or second grade tire. Second, even third and fourth line tires are nothing new in razzle-dazzle tire merchandising. It's a way of shrinking tire prices down to smaller sized pocketbooks. It means downgrading the quality of a tire by such moves as using fewer cords per tire.

And Firestone is pushing its new "500" tire made of nylon. It claims the tire is ideal for the growing number of motorists who do a lot of wheeling along turnpikes and other high speed roads. And most major tire producers, including Goodrich and U. S. Rubber, are spending sizable amounts on advertising higher-priced "premium" tires—most of which are made with nylon.

Detroit is still the big roadblock for the nylon bandwagon. So far, auto's officialdom has been tough on the subject. But nylon has a foothold in the auto center with tires that are optional, extra-cost equipment on some cars and standard equipment on a few vehicles.

Chrysler Receptive

So far, Chrysler Corp. has been the most receptive to nylon's overtures. Its high-priced Le Baron and the Plymouth Fury, both limited production models, come originally equipped with nylon. All De Sotos and several other Chrysler models offer nylon optionally and buyers of about 5% of all Chryslers are choosing the nylon tires, says a Chrysler official.

Nylon tires are also standard on the Nash Rambler Rebel and optional on Lincoln, Mercury and most American Motors cars. Ford division of Ford Motor and General Motors are the big holdouts. But DuPont people predict the optional nylon tires will spread on the 1958 models.

"Nylon has a fighting chance on the '58 models and I think it likely will become standard for many 1960 models," opines lanky Victor Holt, Jr., a sales vice president for Goodyear. But W. F. Billingsley, chief of tire development for B. F. Goodrich, believes "there's still a big battle ahead for nylon and rayon for some time." He warns that improved rayon tire cords coming from laboratories "may make the going tougher for nylon."

ing wires, with some poles and transformers struck by lightning. Cost of damage and restoration of service was estimated at about \$350,000, the "worst in several years."

Peoples Gas Light & Coke Co., providing gas within the city limits, issued 19,858 orders for its crews to make calls between 5 p. m. Friday and 2 p. m. Sunday. Most of the calls were prompted by water flooding basements of homes and extinguishing gas flames in hot water heaters or furnaces.

Citizens with flooded basements were warned to shut off gas outlets, but yesterday afternoon a South Side brick bungalow was demolished by an explosion. The family was reported away on vacation, and the blast, which injured a neighbor, was tentatively attributed to basement water putting out the flame of the gas water heater.

A rash of industrial fires Friday night was attributed to lightning accompanying the inches of rain. Fire engines responded to blazes at the Railway Terminal Co. warehouse, Harmony Manufacturing Co., and Truck Rail Terminal Co., all at one site.

Also struck by lightning were the Neptune Linen Supply Co., Zenith Electric Co., Bell Lamp Manufacturing Co., Apex Paper Box Corp., Stronghold Co., Rowe Screw Machine Products, and Union Cartage Co. A United Packing Co. warehouse in suburban Cicero encountered water damage, and many residential fires were caused by lightning.

The Chicago Transit Authority's surface lines were expected to be running normally this morning, although one subway line is partially blocked by a flooded tunnel. Cost of damage to busses trapped under flooded viaducts, the subways ruined switch system and general clean-up was placed at \$400,000, including overtime pay to employees.

Highways leading south from the city were blocked from time to time, police reported. Kankakee, Ill., where hundreds evacuated homes, was virtually isolated by the flooding Kankakee River for a while, and the Armstrong Cork Co. plant there may not operate this morning, Howard Lehman, assistant plant manager, said. Water was up to 6 feet deep on plant grounds over the week-end, covering power and storage facilities outside of the main building, which missed flooding by one inch or less. The plant has 200 workers.

A coal barge, torn loose from its mooring in the Chicago River, knocked down a switching area bridge of the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., putting it out of commission for possibly a month, the line said. Damage was estimated at \$50,000 to \$75,000, the United Press said.

Aircraft Stretch-Out: Overtime Ban Pinches Workers' Budgets

Continued From First Page

budget was trimmed. And now he's decided to get rid of one of the autos as he "can't afford both."

Leo Randall, another Douglas machinist, says, "I paid income taxes on \$7,800 last year; this year I'll hit about \$5,600."

In small communities clustered around the Los Angeles area aircraft plants retail merchants already are feeling the overtime cutbacks.

"Our volume is off about 5% from three or four weeks ago," notes Donald McCleary, manager of Toluca-Mart, a supermarket near Burbank. "Since they can control their food budget, food is about the first thing they cut down on."

Cutting the Grocery Bills

"Young fellows in my department who were hired as much as three years ago never knew what it's like to live on a 40-hour pay check," what it's like to live on a 40-hour pay check, explains engineer Ignatowski. "They made time purchases that take as much as 40% of their income even though it's income over which they have no control. One of the fellows who rides to work with me has set up a rigid food budget. He eats eggs for breakfast three days a week, and 15-cent-a-box cereals the other days. Instead of steaks he has spaghetti and meat balls for dinner. His entertainment budget is wiped out."

There's only so much that can be cut out of the grocery budget, though, so many other types of merchants report sales declines that trace directly to the Defense Department order.

"There's a blight here; sales are on a level with a year ago, but a month ago they were a third ahead," states Ray Vane as he looks across the deserted showroom of his Ingleswood Chrysler-Plymouth agency. Ingleswood, hemmed in by North American, Douglas and Northrup Aviation, is especially sensitive to aircraft workers' reduced buying power.

Mr. Vane says he hasn't yet had trouble with repossession or collections, but he's taking steps to avoid credit troubles. "Our service department is going on a cash basis instead of opening new charge accounts," he says. The decline in new car sales has been accompanied by a 30% increase in service and repair business at Mr. Vane's garage. This means "people are fixing their own cars instead of trading them in on later or new models," he reasons.

"I hadn't had a red month in so long I could hardly remember what it feels like, but June was the worst month I've had in two years," says an official of another Ingleswood auto dealership, Harvey Smith Oldsmobile. "Business was off a good 40% to 45% from earlier this year."

Buy Bongos, Not Radios

Youthful Mike Gallicchio, a partner in Mike Bob's record shop in Ingleswood, notes, "We're getting the same number of people in here, but those who were spending \$10 to \$15 at a time are now spending \$5 and \$6. And those who spent \$5 to \$6 before the overtime cutbacks are now spending only a dollar or two. A lot of people tell us that it's really hurt them to live on 40 hours a week pay instead of 52 hours. We haven't sold nearly as many radios this season as we did last year at this time. People are buying bongo drums—a \$10 item. But you have to sell three bongos to make up for one radio."

"Collections are anywhere from a week to 30 days slow, and sales are off about 10% from last year," says C. A. Ross, mustached manager of Joy's, a gift and jewelry store on Ingleswood's Market Street. "People were buying gifts, expecting to pay for them out of their overtime earnings. Now that they're falling back on their regular pay checks, they come in and browse, but they don't buy."

Sales at A. B. & S. sporting goods in Ingleswood are down 15% to 20% from a year ago, complains Albert W. Bogen, a partner. "This is a luxury business. If people don't have extra money they don't buy from us."

But elimination of overtime hasn't greatly affected collection and loan activities, according to lenders. A Bank of America official who handles small loans in the bank's Ingleswood office reports a few requests to allow borrowers more time to pay back their obligations. However, loan delinquencies are unchanged from a year ago.

Further pay check shrinkage due to stretch-outs or cancellations of contracts would bite deeper into the Southern California economy. This would be especially true if cutbacks are extensive enough to affect the area's many smaller concerns who subcontract defense equipment. Subcontractors also fear new competitors.

Bids From Big Firms

"What we're concerned with is the stretch-out, which may cause big firms to compete with small companies for subcontracting jobs," says John Marshchalk, executive director of the Strategic Industries Association, a trade group representing 112 defense subcontractors. "In the past 48 hours two fairly large firms have bid on small subcontracts and have succeeded in taking them away from the small outfits."

The president of a Los Angeles company that produces components for the aircraft industry adds: "By the end of the year I expect our aircraft division to be closed out; I see no new work coming up for it."

To bolster individuals' earnings, unions are planning to ask for pay increases aimed at making up for lost overtime pay.

"Very likely we'll bargain for salary increases next spring to offset the overtime cuts," says Ritchie Payne, business representative for the Aircraft Chapter, an engineers' union representing about a third of Lockheed's 3,400 engineers in the California division at Burbank.

A spokesman for Machinist Lodge 727, which represents 16,000 Lockheed workers, adds, "We're going to gear our sights to higher wages to offset these cutbacks." The pattern of demands won't be set until fall, but "it'll be a sizable chunk," the spokesman adds.

Bearings Holders Back Purchase

CLEVELAND—Shareholders of Bearings, Inc., distributor of bearing products, approved the proposed acquisition of Dixie Bearings, Inc.

Under terms of the acquisition, Dixie will receive 600,000 common shares of Bearings, Inc., for distribution to Dixie shareholders. Dixie has 243,290 shares outstanding.

Dixie, which distributes bearings in Tennessee, North Carolina, Georgia and Louisiana, had sales of better than \$4,150,000 in the 11 month fiscal period ended May 31, 1957. In the same period, Bearings, Inc., had sales of over \$21,500,000.

Joseph M. Bruening, president of the Cleveland concern, also has been president of Dixie.

Warren Brothers Had 5-Month Loss of \$61,279; Cites Southwest Rains

BOSTON—Rains in the Southwest during the first five months of 1957 and their adverse effect on construction activities resulted in Warren Brothers Co. turning in a loss for that period of \$61,279, compared with a profit of \$201,246 a year ago, W. L. Kirkland, president, stated in a letter to stockholders.

Gross revenue for work completed was \$16,315,000, compared with \$16,896,000 a year ago. Mr. Kirkland said that since operations cannot be carried on in Northern areas during the winter months, activities are principally limited to the Southern states during the early months of each year and such operations are usually profitable.

With the opening of the construction season in other parts of the country, he said work has been started and is proceeding satisfactorily, but did not reach sufficient volume before the close of the first five months to offset the effects of the bad weather in the Southwest.

Mr. Kirkland said it is not possible at this time to determine the overall effect of the unsatisfactory results of the first five months on earnings for the full year.

He said a substantial volume of new work is being obtained and uncompleted work of consolidated and unconsolidated companies on June 1 was \$32,690,000, compared with \$28,525,000 a year previous.

Motor Products Sells Plant To Craft Manufacturing Co.

CHICAGO—Motor Products Corp. has sold its former Deepfreeze division plant in north Chicago to Craft Manufacturing Co. for \$700,000.

Motor Products is completing an asset liquidation program, said Arnold H. Maremont, chairman. This program will leave the company in a "strong cash position to acquire an active company," he said.

Deepfreeze production was terminated last year, with all machinery and equipment sold. The company also stopped auto parts output last year and machinery and equipment of the automotive division was sold. Its aircraft division will cease production in about two months when current contracts are completed and assets of this division will also be put on the block. This work has been carried on at the company's only remaining plant—on Mack Avenue in Detroit.

Mr. Maremont said ultimate liquidation of all assets will leave Motor Products with some \$11 million in cash and securities available for future acquisitions. He added that the company has a tax loss carry forward of more than \$2 million.

Craft Manufacturing will use the 285,000-square-foot former Deepfreeze building to produce bulk storage tanks and other special products for the dairy industry.

Commercial Trust Co. (N. J.)

COMMERCIAL TRUST CO. OF NEW JERSEY (Jersey City): Condition statement as of June 30, 1957, shows loans and bills purchased at \$28,461,196, and U. S. Government securities (direct) of \$31,983,915. Deposits amounted to \$121,637,746, while capital, surplus and undivided profits amounted to \$10,903,778.

More Aluminum Ordered Set Aside for Defense

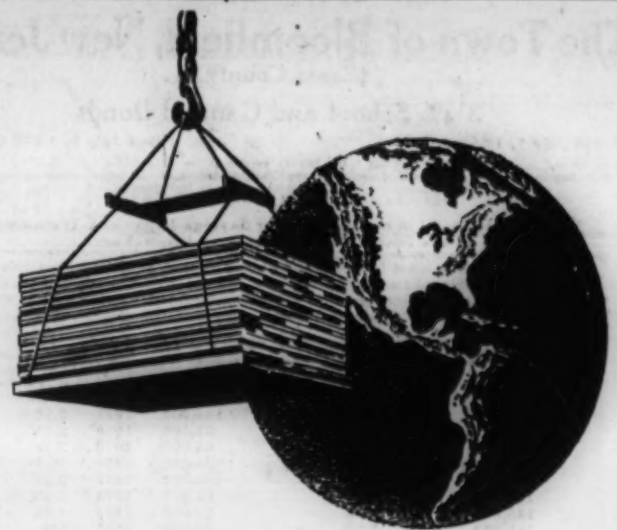
WASHINGTON—The Government ordered an additional 18.3 million pounds of aluminum set aside for defense production in the fourth quarter.

The Commerce Department's business and Defense Services Administration ordered this quantity reserved for the production of civilian-type items needed by the armed services. The allocation is in addition to the 111.7 million pounds which the Office of Defense Mobilization last week ordered set aside for the production

of purely military items in the October-December period.

Total set-asides of the metal, will be 128 million pounds, or 17 million pounds less than the amount reserved in the current period. The decrease reflects lowered military and Atomic Energy Commission requirements for the metal, the B.D.S.A. said.

Total October-December set-asides, the B.D.S.A. said, will represent about 12% of the aluminum available to the U. S. from domestic and foreign sources, compared with 14% in the current quarter.



COOS BAY... LUMBER SHIPPER TO THE WORLD

More than 600,000,000 board feet of lumber and logs left the deepwater port of Coos Bay, Oregon, last year destined for markets as widely separated as Japan and Ireland. Timber is big industry in the Pacific Northwest and Coos Bay is the world's top lumber shipping port. From this Oregon harbor alone enough lumber and logs are shipped annually to build 42,000 six-room houses. Our Industrial Development Department will supply detailed information about business and industrial opportunities in the rapidly-developing Pacific Northwest.

PACIFIC POWER & LIGHT COMPANY

PUBLIC SERVICE BUILDING, PORTLAND 4, OREGON

To better serve the growth of the region, Pacific Power has invested \$150,000,000 in power development in the past ten years. The current construction program calls for the expenditure of an additional \$157,000,000.



Commercial Trailers
Trailered Tanks
Dry Bulk Trailers
Public Utility Bodies
Earth Boring Machines
Pole & Cable Reel Trailers
Winches
Power Take-Offs
Service Accessories



Short or cross-country haul... dry or liquid cargo. Highway Trailer offers carriers especially engineered for every type of payload. Its production of "piggy-backs," for example, includes refrigerated units for shipment of fresh meat from packing plant to store by road and rail without re-handling.



Design improvement is a constant theme as Highway Trailer keeps pace with industry's needs. One recent innovation: this new dry bulk hauler for pulverized materials that can be automatically unloaded by self-contained conveyors.



Highway also serves the nation's public utilities industry. A wide variety of utility bodies (shown), earth boring machines and related equipment are designed and produced for the construction and maintenance of utility lines. Highway also recently introduced a self-contained mobile telephone exchange, capable of providing service for as many as 600 lines.



MERRITT-CHAPMAN & SCOTT CORPORATION

351 MADISON AVENUE • NEW YORK 17, N. Y.

Chicago Area Faces Big Cleanup Job in Wake Of Torrential Rains

Eleven Dead as Flood Waters Damage Warehouses, Plants, Basements, Utility Lines

CHICAGO—This area will face a Monday-morning-after of digging out today in the wake of disruptive floods caused by torrential rainfall Friday night.

No official figure was available as to the total dollar value of the damages to basement freezers and furnaces, plant machinery and equipment or warehoused goods. Some water-logged equipment will need replacement. Eleven persons were killed.

Today emergency pumps are expected to continue their week-end chore of draining flooded basements, but car-truck movement and electric and telephone service should be restored to normal.

The Illinois Bell Telephone Co. puts its loss at \$1 million or more in worker overtime costs, repairs to water-doused equipment and replacement of ruined cables and machinery. At one point some 33,000 phones were out in the area and more than 2,000 employees were called in to restore service. Normal service was expected by mid-afternoon yesterday.

Hard-hit by lack of communications was Midway Airport, where the phone company installed 11 switchboards to replace those put out of commission by flood waters. Many of the thousands of passengers stranded at the field took advantage of free radio-telephone service provided by the company.

Mobile units also patrolled the suburb of Niles, allowing emergency calls to be made from the town which was cut off until Sunday afternoon.

United Air Lines said at least some of its flights would be operating on schedule this morning, but the major problem of handling communications on reservations is expected to continue for a short time.

Commonwealth Edison Co., electric utility serving the city, and its subsidiary, Public Service Co., reported up to 50,000 homes without power, some for many hours. The utilities had 900 of their own employees plus 250 from contractors in Milwaukee, Indianapolis, and other cities answering 1,600 trouble calls.

Most of the calls were due to wind down-



INDUSTRIES OF MERRITT

CONSTRUCTION EQUIPMENT

POWER EQUIPMENT

TRANSPORTATION EQUIPMENT

AGRICULTURAL EQUIPMENT

MINING EQUIPMENT

Two New Air Reduction Plants

CALVERT CITY, Ky.—Air Reduction Co., Inc.'s chemical division broke ground for two new plants here, to be completed early next year. The company said one plant will have

an annual production capacity of 3,000,000 pounds of methyl butynol and methyl pentynol, used in the preparation of flavors, perfumes and pharmaceuticals; the other plant will have a 2,000,000-pound yearly capacity of vinyl stearate, used in making emulsions and plastics.

New Issue Interest exempt from all present Federal Income Taxes

\$2,377,000

The Town of Bloomfield, New Jersey
(Essex County)

3 1/4% School and General Bonds

Dated July 1, 1957

Due July 1, 1958 to 1977

Principal and semi-annual interest (January 1 and July 1) payable at the office of The National Newark and Essex Banking Company of Newark, Bloomfield Center Office, Bloomfield, N. J. Coupon bonds of \$1,000 denomination, registrable as to principal only or as to both principal and interest, recoverable at the expense of the holder in coupon bonds.

Legal Investments, in our opinion, for Savings Banks and Trust Funds in the States of New Jersey and New York.

These bonds, to be issued for School and General purposes, in the opinion of counsel, will constitute valid and legally binding obligations of the Town of Bloomfield, New Jersey, payable both principal and interest from ad valorem taxes to be levied upon all the taxable property therein, without limitation as to rate or amount.

AMOUNTS, MATURITIES, YIELDS AND PRICES

Amount	Due	Yield	Amount	Due	Yield or Price
\$165,000	1958	2.40%	\$65,000	1958	3.10%
165,000	1959	2.50	65,000	1959	3.15
165,000	1960	2.60	65,000	1960	3.15
165,000	1961	2.70	65,000	1961	3.15
165,000	1962	2.80	65,000	1962	3.20
165,000	1963	2.90	65,000	1963	3.20
165,000	1964	2.95	70,000	1964	3.20
180,000	1965	3.00	70,000	1965	100
190,000	1966	3.05	70,000	1966	100
190,000	1967	3.10	62,000	1967	100

(Accrued interest to be added)

These bonds are offered when, as and if issued and received by us and subject to approval of legality by Messrs. Humes, Dinsfield & Wood, New York, N. Y.

Phelps, Fenn & Co.

Shields & Company

Shearson, Hammill & Co.

Robert Garrett & Sons

New York, July 15, 1957

Blair & Co.

F. S. Smithers & Co.

A. Webster Dougherty & Co.

Financing Business

"Continuous" Offering
Of CIT Financial Corp.'s
Debt Issue Starts Today

Sale of \$100 Million 4 3/4% Debentures to Run Until April 1, 1959, Unless Sold Out or Terminated

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—CIT Financial Corp.'s \$100 million of debentures go on sale beginning today.

The 4 3/4% securities are available in seven series, with annual maturities ranging from July 1, 1960, through July 1, 1968. They are priced to yield from 4.75% to 4.89% depending on maturity.

Salomon Bros. and Hutzler has been named as agent in the offering, which "will be a continuous one running at least until April 1, 1959," unless sold out earlier or terminated at the company's option.

The debentures of the seven series offered today will not be redeemable prior to maturity. The debentures of any particular series which may be issued and sold is flexible, subject only to limitation of the \$100 million over all authorization, a C.I.T. spokesman explained.

The offering is an unusual one, since it is customary for major securities issues to be marketed at one time through a firm purchase commitment by a group of underwriters.

C.I.T. said it intends to make available maturities suited to the preferences of purchasers and to vary from time to time the series offered and the offering prices based on market conditions and its requirements for funds.

The company also reserves the right to vary the price at which any of the series debentures are being offered, to terminate the offering of any of all series, and to add or substitute series debentures of other series which may be established in the future.

C.I.T. Financial claims to be the nation's largest consumer and industrial finance company. It will use the proceeds from the debentures—for which a Securities and Exchange Commission registration became effective July 12—primarily to refund other debt and to supply additional working funds to its subsidiaries.

Debt Issues Totalling
\$196,950,000 Dominate
This Week's Offerings

A WALL STREET JOURNAL News Roundup

Financing by corporations through public sale of new securities will be at a fairly active pace this week.

On tap are seven corporate debt offerings totaling \$196,950,000, along with a fairly sizable volume of common stock financing. There will be no new preferred stock offerings of size.

The new debt and common stock offerings will funnel into a market that is again almost completely free of unsold corporate securities. Last week's principal issues went well at retail and investors were nibbling away at the remnants of staler items on underwriters' shelves.

The week's total for new issues of publicly-offered corporate debt securities was \$123,390,000. New common stock issues came close to the \$17 million mark and there were no important new preferred stock offerings.

This week's large financing total includes C.I.T. Financial Corp.'s \$100 million of debentures. These securities are to be offered by Salomon Bros. & Hutzler on a "best efforts" basis, without underwriting. They will be available to investors at any time over a period of months, unless sold earlier.

Down for sale to the public through negotiation with underwriters are Inland Steel Co.'s \$50 million of bonds, expected Wednesday via Kuhn, Loeb & Co. and associates.

Debt issues destined for public bidding include: \$16 million of bonds by Texas Electric Service Co. and \$8 million of notes by Chicago & North Western Railway, both set for today. Also \$15 million of bonds by Jersey Central Power & Light Co., tomorrow; \$4,950,000 of equipment certificates by Great Northern Railway, on Wednesday; and \$3 million of equipment certificates by Chicago, Rock Island & Pacific Railway, on Thursday.

The week's increased common stock financing will be featured by Minneapolis-Honeywell Regulator Co.'s \$33,382-share offering to its stockholders. Eastman Dillon, Union Securities & Co. is named as managing underwriter for this big transaction.

Common offerings slated for public sale through negotiation with underwriters include Oxford Paper Co.'s 175,000 shares and Tracer-Lab, Inc.'s 200,000 shares, both expected on Wednesday. The Oxford Paper issue will be managed by Blyth & Co., Inc., and the Tracer-Lab transaction by Lee Higginson Corp.

Money Rates

NEW YORK—Banker acceptance rates on 30-90 day bills were quoted 3 1/2% to 3 3/4%, 120 day bills are 3 3/4% to 3 1/2% and the 180 day bills 3 3/4% to 3 1/2%.

Federal funds bid at 3%.

Call money lent dealers on bills and Treasuries was quoted at 4%.

Call money on stock exchange collateral was 4 1/4% to 4 1/2%.

Commercial paper sold through dealers four to six months maturity was 3 1/2% to 4 1/4%.

Commercial paper placed directly by the major finance companies one to nine months maturity was 3 1/2% to 4 1/4%.

Sanders Associates Filing

WASHINGTON—Sanders Associates, Inc., put 110,000 shares of Class A common stock in registration with the Securities and Exchange Commission.

The Nashua, N. H., company proposes to offer 100,000 of the shares publicly through a group headed by Kidder, Peabody & Co. The remaining 10,000 shares would be offered to employees. Proceeds from the sale would be used to reduce an outstanding bank loan and added to working capital.

Number of GE Holders Rises

NEW YORK—General Electric Co. said the number of its shareholders reached a record 378,371—an increase of 15,140 from a year earlier. Over half the individual G.E. shareholders are women and about two-thirds of the holders have less than 100 shares. Shareholders with less than 100 shares have been increasing in proportion to the total, the company said.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus.

The City of Montréal

(Canada)

\$7,200,000 5 1/4% Sinking Fund Debentures for Local Improvements

Due February 15, 1977

\$17,800,000 5 1/4% Sinking Fund Debentures for Public Works

Due March 1, 1977

The debentures of each issue will be dated July 1, 1957 and principal and interest of each issue will be payable in The City of New York, New York in United States Dollars.

Price for each issue 97%

(and accrued interest)

Copies of the Prospectus may be obtained in any State only from such of the several Purchasers, including the undersigned, as may lawfully offer the securities in such State.

Lehman Brothers	White, Weld & Co.	Eastman Dillon, Union Securities & Co.	Blyth & Co., Inc.
Bear, Stearns & Co.	Drexel & Co.	Equitable Securities Corporation	Stone & Webster Securities Corporation
L. G. Beaubien & Co. Limited		Credit Interprovincial, Limitée	Dick & Merle-Smith
Hallgarten & Co.	Paine, Webber, Jackson & Curtis	R. W. Pressprich & Co.	Reynolds & Co.
Baxter & Company	A. G. Becker & Co.	Dawson, Hannaford Inc.	Francis I. duPont & Co.
Equise Canada Inc.	Nesbitt, Thomson and Company, Inc.	E. F. Hutton & Company	Alex. Brown & Sons
First of Michigan Corporation	W. E. Hutton & Co.	Wm. E. Pollock & Co., Inc.	Schwabacher & Co.

July 15, 1957.

ANOTHER OFFICE TO SERVE EXPANDING CLIENTELE

LIONEL D. EDIE & CO., INC.

Investment Counselors — Economic Consultants

ANNOUNCE
THE APPOINTMENT OFC. EDWARD ACKER
Special Representative.

ADOLPHUS TOWER • DALLAS, TEXAS • RI 2-2014

NOTICE OF REDEMPTION

To the Holders of

KINGDOM OF DENMARK

Thirty-Four Year 4 1/2% External Loan Gold Bonds
due April 15, 1962

NOTICE IS HEREBY GIVEN that \$1,454,000 principal amount of Kingdom of Denmark Thirty-Four Year 4 1/2% External Loan Gold Bonds, due April 15, 1962, bearing the following numbers, have been drawn by lot for redemption for account of the Sinking Fund on October 15, 1957 at the principal amount thereof:

M-00038 03438 07381 10489 14073 18153 21592 24997 28399 31728 35291 38824 42883 45940 49873 51189 52910
00068 03438 07381 10489 14073 18153 21592 24997 28399 31728 35291 38824 42883 45940 49873 51189 52910
00070 04063 07381 10489 14073 18153 21592 24997 28399 31728 35291 38824 42883 45940 49873 51189 52910
00086 04138 07418 10568 14177 18173 21611 24984 28454 31800 35361 38922 42948 46101 49808 51222 53006
00099 04234 07481 10639 14217 18190 21621 24708 28909 31807 35455 39035 42996 46148 49012 51229 53006
00106 04247 07487 10641 14222 18411 21667 24708 28927 31823 35496 39037 42996 46148 49012 51229 53006
00120 04287 07487 10641 14222 18411 21667 24708 28927 31823 35496 39037 42996 46148 49012 51229 53006
00133 04348 07738 10749 14348 18430 21858 24880 28955 31954 35555 39099 43075 46218 49082 51342 53018
00136 04393 07744 10822 14368 18490 21870 24912 28979 31998 35600 39148 43077 46219 49118 51363 53028
00196 04399 07771 10923 14408 18522 21875 24922 28997 32014 35523 39118 43101 46227 49280 51387 53033
00210 04402 07780 11001 14418 18530 21877 24933 29034 32023 35639 39167 43104 46327 49298 51412 53038
00243 04441 07842 11018 14418 18587 21914 24983 29039 32040 35683 39233 43148 46309 49320 51418 53043
00288 04444 07848 11023 14432 18632 21918 24983 29071 32083 35683 39234 43183 46414 49387 51418 53048
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00748 04948 08364 11538 14836 19274 25363 29357 32387 35805 39722 43548 46971 49922 51853 53727
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00840 05231 08685 12113 15344 19632 25280 29311 30001 32853 38227 39948 43904 47268 49910 52004 54013
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01063 05417 08813 12280 15514 19742 22857 21053 30315 32857 38227 39948 43904 47268 49910 52004 54013
01058 05481 08823 12306 15590 19807 22865 29318 30344 31011 36407 40018 44063 47437 50168 52145 54165
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01146 05518 08873 12478 15586 19816 22914 29393 30345 31017 36524 40244 44148 47470 50179 52197 54171
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01201 05527 09028 12777 15992 19881 22937 29394 30387 33317 36534 40322 44318 47526 50248 52299 54184
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01298 05874 09172 12790 16470 19990 23190 29410 30542 33440 38839 40400 44585 47589 50304 52299 54184
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01617 06148 09270 12943 16576 20262 23481 29459 30628 33451 36874 40547 44683 47670 50375 52299 54184
01620 06186 09271 13010 16582 20256 23465 29707 30708 33610 37111 41134 44758 47851 50451 52402 54464
01703 06188 09285 13061 16628 20266 23466 29749 30709 33716 41134 44758 47851 50451 52402 54464
01710 06200 09281 13091 16632 20271 23466 29749 30709 33716 41134 44758 47851 50451 52402 54464
01758 06253 09283 13148 16701 20301 23727 29854 30781 33895 37202 41187 44881 48087 50523 52447 54468
01826 06285 09298 13163 16707 20331 23737 29904 30785 33911 37202 41187 44881 48087 50523 52447 54468
01882 06293 09403 13179 16817 20339 23777 29966 30780 34095 37205 41292 44909 48177 50580 52482 54481
01918 06325 09414 13184 16828 20361 23789 29974 30800 34166 37261 41305 44911 48189 50571 52488 54495
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01944 06394 09708 13248 17202 20430 23807 27187 30808 34243 37385 41487 44935 48223 50604 52506 54528
02003 06593 09727 132

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Ask Canada's First Bank to arrange your business introductions north of the border. With 700 branches coast-to-coast, this two-billion-dollar organization has nationwide connections in every branch of Canadian industry. Address our nearest U.S. office or Head Office, Montreal.

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BANK OF MONTREALCanada's First Bank
700 Branches Across Canada
RESOURCES EXCEED \$2,700,000,000

Bond Markets

Top Grade Corporates
Close Firm on Week;
Treasuries Also Gain

By a WALL STREET JOURNAL Staff Reporter
NEW YORK—The bond market backed and filled through an indecisive week, with spotty buying followed by precautionary selling from dealers.

Investment grade corporates were mostly firm on the week, but the group was mixed, with individual issues fluctuating a point or so above or below average market performance. "When a retail order came in for a corporate bond last week," a trader explained, "the dealer usually had to go out into the market and buy bonds to satisfy the order. That way, the quotes got two boosts—one on the customer's inquiry and another on the dealer's—because of the thin market and low dealer inventories." This observer felt that, "although buyers seem satisfied with the current prices, traders are wary, and they are trying to keep their shelves clean."

Some dealers closed long-term U. S. Government issues at generally firmer prices for the week. Victory Loan 2½s of December, 1967-72 were 87 15-32 bid, up 4-32 Friday and up 6-32 on the week. The 40-year 3s gained 12-32 on the week and 4-32 Friday, at 89 4-32 bid. The 3½s of June, 1978-83, up 2-32 Friday, lost 6-32 on the week's trading at 94 18-32 bid.

The "Vics" yielded 3.55%, the 3½s returned 3.58%, and the 40-year 3s offered investors 3.52%.

Municipal dealers, fortified by their low inventory positions, bid briskly on new issues. These new issues generally sold well, led by the big Port of New York issue, but some traders still were keeping stocks low to reflect a cautious attitude towards the market at present levels. Revenue bonds were lower on the week.

Rails again showed little interest, with prices steady to a bit easier.

Convertible issues were generally firm, with large variations in some specialties. Foreign bonds spent a fairly quiet week, with several issues coming about a point.

Equipment "float"—Unsold inventories of equipment trust certificates in the hands of dealers are estimated at \$2,600,000 this morning, compared with \$2,400,000 the previous week. Two issues totaling \$7,200,000 were sold; this week again two issues are scheduled for bidding, with total value of \$7,965,000.

Prices of Recent Securities Issues

The original offering price and Street market are indicated below for recent issues of selected securities that are not listed on a principal exchange.

UTILITY BONDS			
Issues	Price	Bid	Asked
Boston Edison 4½s '87	101.55	103½	103
Columbia G 5½s '82	101.363	105	105½
Con Natl Gas 4½s '82	101.085	105	106
Del P & L 5s '78	101½	104	104½
Georgia P 5½s '87	102.29	104½	105
Gen'l Teleph 5s '87	100	103	103½
Inter Power 5s '87	100	101½	102
Met Ed 4½s '87	101½	101½	101½
Mich Cn Gas 6½s '82	103.216	106	106½
Mich Wisc Pl 6½s '77	102.889	103½	103½
Nat Fuel G 5½s '82	101.363	104½	105½
N Y Teleph 4½s '91	101.755	100½	100½
Nor Sta Pow 4½s '87	100	99½	99½
Puget S P&L 6½s '87	103.459	106½	106½
Sou Bell Tele 5s '86	102.32	106½	106½
Sou Cal Edis 4½s '82	100.73	101½	101½
Sou Cal Gas 5½s '83	101.807	103½	104½
Tennessee G 5½s '77	100	102½	103½
OTHER BONDS			
Chance Vght 5½s '77	100	97½	98½
Trans Contn 5s '77	101.63	97½	98½
PREFERRED STOCKS			
Kaiser Alum 4.75% 100%	104½	105	
Pacific P & L 6.18% 102%	103	104	
Potomac Elec 32.44% 50	47	48	

Tax Exempts

Dealers Eye Market
With Caution Despite
Drop in Yield Index

A WALL STREET JOURNAL News Roundup

The municipal market extended its rally last week, but dealers are cautiously eyeing the hefty issues coming to market during the next two weeks.

The Dow-Jones index of 20 representative 20-year bonds, which moves down as prices go up, stands at a 3.39% yield this morning, compared with 3.44% a week ago. Two weeks ago the index registered a 3.48% yield—the highest level since October, 1935.

"The market should get its test during the next two weeks," one dealer predicts. "I think we've reached the high point in this rally," adds another trader.

Increase in Offerings

Scheduled to be put up for bidding this week are \$129,925,945 of municipal bonds, compared with \$105,783,034 which went on the auction block last week. Also, some big issues are scheduled to come into the market next week, topped by \$50 million of California bonds on July 24. However, activity normally tapers off at the bidding block during August, bond men note. The Daily Bond Buyer figures that \$275,319,769 tax-exempt bonds will be offered for sale during the next 30 days, down from last week's \$298,333,448 figure in sight for the next month.

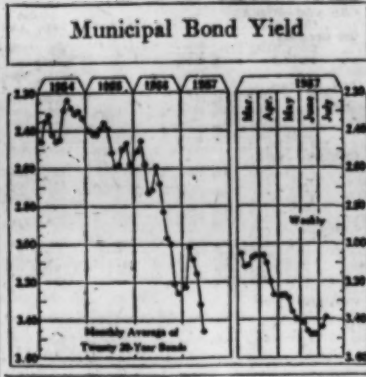
Traders were heartened last week by the good reception for new issues, especially the \$28,800,000 Port of New York Authority airport revenue bonds, which met a brisk demand at retail.

"Some of our buyers are cautioning us not to let prices go too high," one dealer confides. "We could run into some price resistance." Overall, municipal men generally are cautious, despite two straight weeks of improved prices.

Inventories of unsold bonds still in the hands of the dealers built up a bit last week, but observers say the inventory picture is still "comfortable." The Blue List estimates that inventories of unsold municipal and housing bonds total \$140,751,500 this morning, compared with \$126,088,000 a week ago. This is down sharply from the \$275 million inventory levels reached in late May.

This Week's Schedule

Topping the municipal menu this week is \$15,465,000 Atlanta, Ga., bonds scheduled for



bidding tomorrow. Offerings on the schedule include:

Today: Cook County, Ill., Thornton Township High School District, \$5,500,000; Gladwyne, Pa., School District, \$2,100,000; Lower Merion Township, Pa., School District, \$2,100,000; Sheboygan, Wis., \$1,100,000 corporate purpose, and Manitowoc, Wis., \$1 million corporate purpose school.

Tuesday: Atlanta, Ga., \$15,465,000 various; Minnesota, \$12 million highway; Philadelphia, Pa., School District, \$12 million; Norfolk, Va., \$4 million improvement; Merced, Calif., Union High School District, \$2,800,000; Fullerton, Calif., Union High School District, \$2,300,000; Portland, Ore., \$2 million water; West Morris, N. J., Regional High School District, \$2 million; East Ridge, Tenn., \$1 million sewer, and Long Beach, Calif., Unified School District, \$1 million.

Wednesday: Louisiana, \$10 million veterans' bonus; St. Louis County, Mo., \$4,750,000, improvement; Toledo, Ohio, \$4,500,000 sewer, and Danville, Va., \$3,700,000 various.

Thursday: Westport, Conn., \$5,400,000 school; Warwick and Chester, N. Y., Central School District No. 1, \$2,670,000; Quincy, Mass., \$2,025,000 school, and Jacksonville, Fla., \$1,700,000 waterfront development.

Friday: Milwaukee County, Wis., \$2,454,000 park improvement.

California School Unit Plans
\$10 Million Issue This Fall

San Diego, Calif., Unified School District will sell \$10 million bonds October 15. The securities will mature November 15, 1960-79.

San Antonio, Texas, River Authority will open bids July 23 for \$2 million improvement revenue bonds, due July 1, 1958-85.

On August 6 Covina, Calif., Union High School District will sell \$1,611,000 bonds, maturing September 1, 1958-82.

Fairmont, Minn., will open bids August 1 for \$1 million public utility revenue securities, due July 1, 1960-79.

Florida \$2 Million Bridge
Issue Draws No Bidders

TALLAHASSEE—No bids were received on \$2 million Sarasota County bridge revenue bonds offered by the Florida Development Commission.

The absence of bids was attributed by the commission to a 4% interest limitation and a provision that \$400,000 would be callable each year beginning in the first year after issuance.

The commission plans to try to negotiate a private sale of the bonds.

The commission also said it would open bids August 8 for \$1,750,000 Orange County Road revenue bonds, due November 1, 1961-76.

Broker, 3 Others Deny
Alleged Manipulation of
Jerry O'Mahoney Stock

By a WALL STREET JOURNAL Staff Reporter

NEW YORK — A broker and three accountants pleaded not guilty Friday to charges of conspiring to manipulate and of manipulating the price of Jerry O'Mahoney, Inc., stock on the American Stock Exchange. The O'Mahoney firm, based in Elizabeth, N.J., makes ready-made luxury diners.

The four were released by New York Federal Judge Thomas F. Murphy on \$1,000 bail. Trial was set for August 19. They are Bernard Berk, senior partner in Bernard Berk & Co., New York securities firm, and three members of the accounting firm of Morris Gotthelf & Co., also of New York. They are David I. and Martin Shindler and Arnold M. Gotthelf.

Involved in the transactions alleged to be manipulated, were 300,000 shares of the O'Mahoney stock traded from March, 1950,

to December, 1954, according to Assistant U.S. Attorney Robert W. Bjork, who said that "untold purchasers were defrauded." The four were indicted last July.

Mr. Bjork said that during the period involved the price of the stock rose from 80 cents to \$5.42 a share. It is now delisted from the American Exchange and is selling over-the-counter at about 18 cents a share. Mr. Bjork said it is "impossible" to estimate the loss suffered by buyers during the alleged conspiracy.

If convicted, Mr. Berk could receive a maximum of 10 years in prison and a fine of \$20,000. The others could be sentenced to 15 years' imprisonment and fined \$30,000 each.

FPC Blocks Rate Boost

WASHINGTON—The Federal Power Commission temporarily blocked a \$1,800,000, or 8.7%, annual natural gas rate increase proposed by Gulf Interstate Gas Co., Houston.

The proposed increase would affect only Gulf Interstate's sole customer, United Fuel Gas Co., Charleston, W. Va., which serves customers in Ohio, Kentucky and West Virginia.

Canadian Dollar Hits New High

NEW YORK—The Canadian dollar hit a new high since November, 1933, in terms of the U. S. dollar in early foreign exchange dealings here Friday. By touching \$1.0506 it just edged past the recent high of \$1.0503, the same figure at which it closed Friday.

Canadian currency has been at a premium over U. S. currency as a result of heavy U. S. investment in Canada and because of a sizable amount of Canadian borrowing in the U. S.

Farrell Lines Seeks Contract

WASHINGTON—Farrell Lines, Inc., asked the Federal Maritime Board for a new operating-differential subsidy contract on its service between U.S. Atlantic ports and Africa to replace its present agreement which expires at the end of 1959.

In asking for a new 20-year contract to begin in 1960, the company stated it would agree to a ship construction program in keeping with the agency's program for replacement of the Merchant Marine fleet.

\$100,000,000
C.I.T. Financial Corporation
Series Debentures

It is the Corporation's intention (i) to offer the Series Debentures by way of a continuing offering over a period of time, (ii) to make available maturities suited to the requirements of various types of prospective purchasers and (iii) from time to time to vary the Series being offered and the offering prices of the several Series being offered in the light of market conditions and the Corporation's requirements for funds.

The Corporation reserves the right at any time or from time to time to reject any offer for any of the Series Debentures and, by appropriate amendment of the Prospectus, to vary the price at which any of such Series Debentures are being offered. The Corporation also reserves the right to terminate the offering as to any or all Series and to add or substitute Series Debentures of other Series which may hereafter be created.

Interest will be payable on all Series Debentures on January 1 and July 1 in each year. The Corporation has initially created seven Series of Debentures. The Debentures of such Series will not be redeemable prior to maturity.

Series	Offering Price*	Maturity Date
1960 4½%	100%	July 1, 1960
1961 4½%	99½	July 1, 1961
1962 4½%	99½	July 1, 1962
1963 4½%	99½	July 1, 1963
1964 4½%	99½	July 1, 1964
1965 4½%	99½	July 1, 1965
1966 4½%	99	July 1, 1966

*Plus in each case accrued interest to date of delivery.

The Series Debentures are being offered directly by the Corporation and also through one or more Agents and in certain States exclusively by the Agents as principals. The Corporation has initially entered into an agreement with Salomon Bros. & Hutzler appointing the latter as Agent, but has reserved the right to designate additional Agents. Each such Agent will be an "underwriter" as that term is defined in the Securities Act of 1933, as amended.

The net proceeds to the Corporation from the sale of the Series Debentures will be used primarily to refund other debt and to furnish additional working funds to its subsidiaries.

Copies of the Prospectus may be obtained from the Undersigned in any State in which these securities may lawfully be offered.

Agent: SALOMON BROS. & HUTZLER

Sixty Wall Street, New York 5, N. Y.

Telephone: HANover 2-8700

July 15, 1957

Interest exempt, in the opinion of counsel, from all present Federal Income Taxation

\$1,895,000

City of New Castle, Indiana

5%, 4½% and 4% Sewage Works Revenue Bonds

To mature annually August 1, 1958 to 1992, inclusive

Bonds due 1968 and subsequently are redeemable in inverse order at a premium of 5% on any interest payment date from August 1, 1967 through February 1, 1972, the premium reducing 1% during each five-year period thereafter.

These Bonds, to be issued for sewage works purposes, in the opinion of counsel are to be issued under the provisions of Chapter 61 of the Acts of the 1932 State of Indiana Legislature and Chapter 206 of the Acts of 1937, and all acts amendatory thereof and supplemental thereto. They will be payable solely from the revenues of the sewage works of the City.

Maturity	Rate	Yield	Maturity	Rate	Yield	Maturity	Rate	Yield
1958	5%	2.75%	1965	4½%	3.65%	1973-74	4½%	4.30%
1959	5	3.00	1966	4½	3.75	1975-76	4½	4.35
1960	5	3.15	1967	4½	3.85	1977-78	4½	4.40
1961	5	3.25	1968	4½	3.95	1979-80	4½	4.45
1962	5	3.35	1969	4½	4.05	1981-83	4½	4.50
1963	5	3.45	1970	4½	4.15	1984-87	4½	4.55
1964	5	3.55	1971	4½	4.20	1988-92	4½	4.60
			1972	4½	4.25			

These Bonds are offered when, as and if issued and received by us and subject to approval of legality by counsel whose opinion will be furnished upon delivery. An Offering Circular may be obtained in any state in which this announcement is circulated from only such of the undersigned and other dealers as may lawfully offer these securities in such state.

HALSEY, STUART & CO. INC.

GOLDMAN, SACHS & CO. EASTMAN DILLON, UNION SECURITIES & CO.
CENTRAL REPUBLIC COMPANY RODMAN & RENSHAW

July 15, 1957

CENTRAL REPUBLIC COMPANY
(Incorporated)Announce the removal of their
New York office to40 WALL STREET
New York 5, New YorkOur New Telephone
WHITEHALL 4-5740

July 15, 1957

NEW ISSUE

Interest Exempt, in the opinion of counsel, from all present Federal Income Taxes

\$3,500,000

City of Racine, Wisconsin

3¼% Various Purpose Bonds

Amounts	Due February 1	Yields
\$800,000	1958 to 1961	2.50% to 2.90%
800,000	1962 to 1965	3.00% to 3.25%
700,000	1966 to 1969	3.30% to 3.40%
600,000	1970 to 1973	3.45% to 3.50%
600,000	1974 to 1977	3.55% to 3.60%

THESE BONDS, to be issued for various purposes, in the opinion of counsel, will constitute direct general obligations of the City of Racine, Wisconsin, payable from ad valorem taxes which may be levied against all of the taxable property located therein without limitation as to rate or amount.

Dated August 1, 1957, principal and semi-annual interest payable February 1 and August 1 at the office of the City Treasurer, Racine, Wisconsin. Offered for delivery when, as, and if issued and received by us, subject to approval of legality by Messrs. Chapman and Cutler, Attorneys of Chicago, Illinois.

The First National Bank of Chicago Halsey, Stuart & Co., Inc. Phelps, Fenn & Co.
Robert W. Baird & Co. A. G. Becker & Co. Dean Winter & Co.
Bache & Co. R. S. Dickinson & Company
Rodman & Renshaw City National Bank and Trust Company
Mullany Wells & Company McMaster Hutchinson & Co. McDonald-Moore & Co.

July 10, 1957

We are pleased to announce that

HARRY H. MORRIS, JR.

has become associated with us.

Glore, Forgan & Co.

New York

Chicago

July 15, 1957.

Commodities

Price Trends of Tomorrow's
Meals and ManufacturesImproved Growing Weather May Enable Crops
To Offset Part of Time Lost by Late Seeding

By WALL STREET JOURNAL Staff Reporter

NEW YORK—Maturing crops in the United States made some recovery during the past week as weather conditions cleared.

Farmers were able to get back into fields and start weeding and also finish planting of late crops. About the only reports of adverse conditions came from the Topeka, Kan., area, where cloudbursts dumped about six inches of rain in less than six hours. Fortunately the fall was local and farmers in outlying territory were able to continue harvesting winter wheat.

Crops generally are averaging from two to four weeks late. Last week the Government issued cotton acreage and general crop reports. The latter included prospective production figures for such key crops as corn, wheat, rye, barley and oats. Officials said crop prospects were retarded by late seeding and excessive moisture. However, they noted that heavy soil moisture could cut later crop losses from any dry spell and heat. If fall cold weather is held back, crops would grow and add to harvest, farm experts claim. In addition to curtailment of acreage by wet weather, the area planted to crops this year was reduced by the soil bank. However, officials reported that average yield per acre at the present time is indicated at 122% of the 1947-49

base compared with last year's average of 124%.

Grain experts believe a continuation of dry weather during the next several weeks could materially add to present crop prospects. It also would be favorable for the retarding of insect damage as farmers could get into fields and continue extensive poisoning operations. Harvest of the winter wheat crop gather momentum during the past week, but peak of the movement normally reached early in July may be held up until later this month.

Highlights of Friday's markets follow:

Higher

Oats—Unchanged to up 1/4 cent a bushel at Chicago. Minneapolis was off 1/4 to 1/2 cent a bushel, with Winnipeg up 1/4 to 1/2 cent.

Cottonseed Oil—Up 13 to 21 points at New York.

Flaxseed—Up 15 cents a bushel at Winnipeg. Minneapolis was up 1 1/2 to 2 1/2 cents.

Soybeans—Up 4 1/2 to 7 1/2 cents a bushel at Chicago.

Lard—Up 3 to 30 points at Chicago.

Barley—Up 1/4 to 1 1/2 cents a bushel at Winnipeg.

Soybean Oil—Up 15 to 22 points at Chicago. New York was up 14 points.

Coffee—Up 23 to 85 points at New York.

Sugar—World contract, up 3 to 16 points. Domestic, off 1 point.

Zinc—Up 3 points at New York.

Irregular

Wheat—Off 1/4 to up 1/4 cent a bushel at Chicago. Minneapolis was off 1/4 to 1/2 cent, with Kansas City off 1/4 to 1/2 cent.

Corn—Off 1 to up 1/4 cent a bushel at Chicago.

Rye—Off 1/4 to up 1/4 cent a bushel at Chicago. Minneapolis was off 1/4 to 1/2 cent.

Eggs—Off 10 to up 15 points at Chicago.

Potatoes—Off 3 to up 4 cents per 100 pounds at New York.

Hides—Off 3 to up 11 points at New York.

Rubber—Off 5 to up 1 point at New York. London was unchanged to off 14 points, with Singapore off 4 to 9 points.

Lower

Cotton—Off 25 to 51 points at New York. New Orleans was off 25 to 50 points.

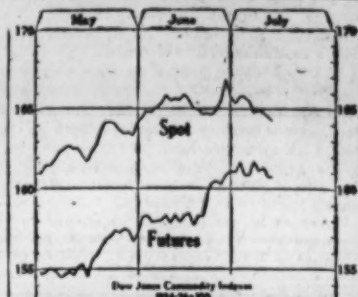
Cocoa—Off 10 to 23 points at New York.

Wool—Off 6 to 13 points at New York.

Copper—Off 6 to 8 points at New York.

Onions—Unchanged to off 3 cents per 80 pounds at Chicago.

Commodity Indexes

New York Commodity Indexes
1947-1950

DOW-JONES COMMODITY FUTURES INDEX

during week ended July 13 declined 8.08

to 106.75. A year ago the Futures Index was

156.80.

DOW-JONES SPOT COMMODITY PRICE INDEX

during the same period declined 1.33 to

164.34. A year ago the Spot Index was 163.46.

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February 29

American Stock Exch.

Closing Bid and Asked Prices of

Stocks Not Traded

Stock	Bid	Asked	Stock	Bid	Asked
Aberdeen	1/4	1/2	Alcoa	15 1/2	15 3/4
Acme	1/4	1/2	Alcoa	15 1/2	15 3/4
Admiral	1/4	1/2	Alcoa	15 1/2	15 3/4
Admiral	1/4	1/2	Alcoa	15 1/2	15 3/4
Admiral	1/4	1/2	Alcoa	15 1/2	15 3/4
Admiral	1/4	1/2	Alcoa	15 1/2	15 3/4
Admiral	1/4	1/2	Alcoa	15 1/2	15 3/4
Admiral	1/4	1/2	Alcoa	15 1/2	15 3/4
Admiral	1/4	1/2	Alcoa	15 1/2	15 3/4
Admiral	1/4	1/2	Alcoa	15 1/2	15 3/4

AMERICAN STOCK EXCHANGE

Most Active Stocks

Stock	Volume	Close	Change
Firestone	15,000	11 1/2	+ 1/4
Goodyear	15,000	11 1/2	+ 1/4
Firestone	15,000	11 1/2	+ 1/4
Goodyear	15,000	11 1/2	+ 1/4

American Stock Exchange Transactions

Friday, July 18, 1937

VOLUME, 980,000 SHARES

SINCE JANUARY 1

Total sales 126,251,700 126,251,700 126,251,700

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
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11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

United States Government Issues

New York Stock Exchange Transactions, None

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

New York Stock Exchange Bonds

Friday, July 18, 1937

Volume, All Issues, \$2,980,000

SINCE JANUARY 1

Total sales \$21,329,600 \$21,329,600 \$21,329,600

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

Foreign Bonds

Volume \$120,000

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

London Stocks Decline on

New Credit Curb Rumors

LONDON—Stocks closed lower in London Friday, with losses ranging to the sterling equivalent of more than \$1.
British government bonds declined to new lows.
The setback was blamed on unsubstantiated rumors the government may impose further anti-inflationary measures including tighter curbs on installment buying and even a dividend freeze.
Government sources, however, do not expect any immediate drastic action aside from possibly slowing down capital investment programs to bring the balance with savings available for such purposes.
British government bonds closed with losses ranging to around \$2.

London Stock Averages

Friday, July 18, 1937

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

World Bank Bonds

New York Stock Exchange Transactions, None

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

Corporation Bonds

Volume, \$2,980,000

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

American Stock Exchange Bonds

Volume, \$50,000

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

Foreign Exchange

Friday, July 18, 1937

Stock	High	Low	Open	Close	Change
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4
11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	+ 1/4

Great Northern

Reported Northern's gross revenues for June

and the first six months of 1937 rose above the previous year's total reflecting a "substantial increase in freight revenue and passenger service," although there were decreases in revenues from express and other operating sources.
Net income for the month of June just about held its own, but for the six months period, tax accruals, mainly Federal taxes, increased more than \$1,500,000 over the like 1936 period, and were a major contributor to the lower net income showing.

Peoples Drug Sales

Reported Peoples Drug Sales for June

June sales, \$1,477,425, or 10.1% increase over \$1,340,000 for June 1936.
Six months sales, \$8,547,425, or 10.1% increase over \$7,750,000 for six months ended June 1936.

Selected American Shares

Reported American Shares for June

June sales, \$1,477,425, or 10.1% increase over \$1,340,000 for June 1936.
Six months sales, \$8,547,425, or 10.1% increase over \$7,750,000 for six months ended June 1936.

Western Maryland

Reported Western Maryland for June

June sales, \$1,477,425, or 10.1% increase over \$1,340,000 for June 1936.
Six months sales, \$8,547,425, or 10.1% increase over \$7,750,000 for six months ended June 1936.

Peoples Drug Sales

Reported Peoples Drug Sales for June

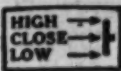
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The Dow-Jones Averages



Abreast of the Market

EDITED BY OLIVER J. GINGOLD

A Stock Market Appraisal

The stock market's resolute upward drive sputtered last week on the threshold of a record high for the Dow-Jones industrial average. Alternate strength and softness of the list surprised many in the Street and dismayed a few. There were some, however, who saw in its jerky action the opening of a new—perhaps final—phase in the years-long bull market.

On only two dates—April 6 and August 2, 1956—has the industrial average closed higher than the \$20.77 it reached last Friday. On the prior occasions sustained advances were halted at \$21.05 and \$20.95. Thus, if the current rally should prove to have culminated last week, what is known in technical jargon as a "triple top" would be clearly defined and a strong psychological barrier formed against any future rise. This is the negative view among traders.

More optimistic thinkers say it is only natural for caution to have increased as the market approached a level which twice before has turned it back. They look on dwindling volume in this hesitant period as a solid sign that the list is gathering strength for a decisive penetration of the 1956 highs. These sources lean on recent action of railroads and utilities to support their argument.

Long considered bell-wethers of the general market trend, carrier shares broke out of a long trading range on the upside, midway of a string of 11 consecutive daily advances which culminated Wednesday with the sharpest rise of the lot. Utilities, normally favorites in times of market uncertainty because of their steady income-producing characteristics, have been lagged during the last fortnight's activity.

Sluggishness in the normally slow-moving utilities is also considered evidence of a rising speculative interest in other divisions, attested by the wide moves which have become commonplace on favorable corporate developments and oftentimes on distant prospects or ill-founded rumor. Many more of these wide-sometimes wild—fluctuations are anticipated if the market is, as some contend, to enter on the final leg of the bull market.

In the past these periods have been ones in which price changes have been sharp in both directions, earnings and dividend prospects have been pushed into the background or ignored in the scramble among traders to "make a fast buck" and "every dog has its day." In the bright light of hindsight these intervals have been recognized as those in which stocks became overvalued in contrast to the "undervaluation" and "full valuation" apparent during the first and second "legs," respectively. These final stages have lasted from several weeks to many months. For the case in point, duration is not an immediate concern because conclusive evidence that the public is smitten with a bad case of speculative fever still is lacking and it is a Wall Street axiom that "markets don't end in the summer."

Last Week's Market—

All three Dow-Jones averages advanced last week on the New York Stock Exchange. Rails recorded the largest net gain, amounting to 2.79%, with the industrials next with a rise of 0.79%. Utilities moved forward 0.53%. Volume of 13,240,000 shares was 3,883,000 more than traded in the previous week, which had been shortened by the July 4 holiday, and was 1,881,000 above the turnover for the like week in 1956.

Stocks of major New York banks had one of their largest rises of the year, moving up as much as two and a fraction points. Two new highs were hit during the week, by Chemical Bank and New York Trust Co., up 2 1/2 and 5 respectively.

Dealers attributed the rise to continued recognition of good earnings in past half year. Other advances registered included Bankers Trust, up 3/4, Chase Manhattan, up 1 1/2, and Guaranty Trust Co., up 1 1/2. The First National City Bank upward move of 1/2 was considered good in view of the bank's rights offering, which has another week to go. Rights offerings generally result in a large floating supply of stock tending to depress prices, but dealers said the movement of the rest of the market

MARKET DIARY

	Jul. 12	Jul. 11	Jul. 10	Jul. 9	Jul. 8	Jul. 7	Jul. 6	Jul. 5	Jul. 4	Jul. 3	Jul. 2	Jul. 1
Advances	123	147	171	138	109	103	103	103	103	103	103	103
Declines	418	401	382	338	419	388	388	388	388	388	388	388
Unchanged	288	343	343	373	327	327	327	327	327	327	327	327
New highs, 1957	63	62	57	57	57	57	57	57	57	57	57	57
New lows, 1957	30	33	33	33	33	33	33	33	33	33	33	33

DOW-JONES CLOSING AVERAGES

	1957	Changes	1956	Changes
Industrials ..	330.77	+ 2.80 + 0.84%	311.18	+ 2.68 + 0.72%
Railroads ...	152.51	+ 0.26 + 0.27%	168.03	+ 0.90 + 0.54%
Utilities	71.70	+ 0.53 + 0.73%	69.38	+ 0.17 + 0.24%

Steel Producers See Demand Holding at High Level for Rest of This Year and Probably Through Mid-'58

Buying by Auto, Construction Firms Should Help Sustain Sales in '58, They Say

By EDWARD J. LALLY
Staff Reporter of THE WALL STREET JOURNAL
PITTSBURGH—The solid business expected by the steel industry for the remainder of this year will carry over into 1958 and probably extend through the first half, according to market studies being made by some leading producers.

Although steel demand has gone down from the peak levels of early 1957, it is still holding up sufficiently to keep industry-wide production at around 80% in a month generally forecast to be the low of the year. Producers look for a recovery late in the summer as auto manufacturers start ordering steel heavily for their 1958 models. Few foresee a boom but they do expect operations to rise at least five percentage points over the current rate.

Convinced that 1957 will be a good year, steel makers are beginning to peer into 1958 and they're arriving at some pleasing, if inconclusive, opinions. These opinions are, briefly, that the first five or six months of next year should see a sustained high, but not spectacular, demand, supported chiefly by strong buying of automotive and construction steels and fortified, in the second quarter probably, by a renewed inventory buildup.

Forecast for Next Year
"There are lots of signs of underlying strength," said one large producer. "We've been taking a fast look at the first half of next year and we see a good, strong demand—as good as we expect for the fourth quarter and probably better. We're not looking for 300% operation, though."

This company is projecting tentatively an operating rate of around 85% during the first quarter and a rate of perhaps as high as 90% in the second quarter, based on present steel making capacity. At the higher industry-wide capacity assured for next year, the rates would be moderately lower.

Another big steel producer termed the 1958 outlook "pretty fair," and went on to add that "we're expecting a good first quarter." He suggested that the auto industry would probably be much more active in the steel market than it is now and that acceleration of the Federal roadbuilding program would intensify demand for construction steel.

View from the Midwest
A midwestern steel maker summed up his views this way:
"We have a good idea from talks with the auto companies that they will be running full blast once production of '58 models gets under way and probably will continue that way through most of the first half. Reuther (Walter Reuther, president of the United Auto Workers) is going to hit the auto boys when the contracts expire and they'll be in a hurry to

stock up dealers before any strike breaks out. "The fourth quarter (of this year) figures to be better than last year and there's no reason to expect much of a drop-off in the following few months."

Also contributing to steel men's optimistic outlook on 1958 business of their good customers, the auto companies, is their conviction that General Motors will storm back strongly in an attempt to recapture the ground it lost this year to Chrysler and Ford.

"And you can bet," remarked a steel official here, "that their competition will be in there fighting, too. Combine that with what we believe will be an effort to get a lot of cars in dealers' hands in advance of possible labor trouble, and you have darned good auto output in the first five months."

Backlogs High for Plates, Shapes

Fortifying industry confidence on next year's prospects are the heavy backlogs of orders for plates and structural shapes, used in shipbuilding, highway and building construction, railroad car and other construction activities. Pressure for plates and shapes has declined somewhat in recent weeks, but full operation of plate and structural mills are assured for months ahead. Steel people say the demand for construction steel could rise next year if, as they hope, the Federal road building program picks up speed by that time.

Inventories also could become a factor in stimulating steel business next year. Some leading steel authorities are convinced that the steel inventory buildup peaked out a couple of months ago and that a moderate liquidation now in progress will continue through the rest of the year, and, possibly, into the first quarter. There could then follow, they reason, a buildup of steel stocks in the second quarter.

"We are very happy about the way this rolling readjustment of inventories is going on," said a district steel producer. "It has been orderly and has brought no serious disruptions. Inventories should be in good shape next year."

Order Patterns Little Changed

Current order patterns in steel are little changed from the situation that has prevailed since early in the year—the heavier steel products in persistent demand, the lighter flat rolled products like cold rolled sheets lagging.

But a mild improvement has set in for cold rolled sheets and that is expected to gain momentum as the summer advances. For one thing, buying of steel for the 1958 autos—and that means mostly cold rolled sheets—is ex-

pected to get under way late this month. Steel ordered late in July would show up in August ingot production, in September steel shipments, and in the flashy new cars that will appear in dealer's showrooms in October.

July to date has been a pleasant surprise to steel men in that production has not slipped as much as they had thought it would.

"Up to recently," said one, "we had expected late July and early August to be the low point of the year but we are beginning to think that maybe the last week or so was as bad as we'll get. Customers are beginning to like orders for even hot and cold rolled sheets—not greatly but nevertheless a gain—in anticipation of some tightness later in the year."

Price Boosts Taken in Stride

The steel price increases that went into effect July 1 apparently haven't slowed the market and, according to producers, are being taken in stride by customers.

The increases averaged \$6 a ton or about 4%, generally in line with trade predictions but less than many steel makers claimed they needed to offset higher wage rates.

Producers say that among their consumers there has been little or no adverse criticism of the price hikes. "Many felt relieved it wasn't more," said one steel man.

Steel production last week was scheduled at 80.4%, a rise of almost two points from the year's low of 78.5% registered during the holiday week of July 1.

Declines are indicated for this week in the Pittsburgh and Chicago districts, a gain for the Youngstown area.

In Pittsburgh, ingot output will slip this week to 88% from an actual rate of 90.6% last week. In Chicago, operations are scheduled to decline to 83.5% from last week's 86.1.

However, in the Youngstown district, four open hearth furnaces will be returned to production to boost the steel making rate there six percentage points to 79% of capacity.

Court Backing Indicated For Northeastern Steel Reorganization Plan

Proposal for Carpenter Steel to Acquire Bankrupt Firm Ordered Sent to SEC

NEW HAVEN—(AP)—U. S. District Judge Robert P. Anderson ruled that a reorganization plan for Northeastern Steel Corp. of Bridgeport is "worthy of consideration," and ordered it forwarded to the Securities and Exchange Commission in Washington.

The plan provides for Carpenter Steel Co. of Reading, Pa., to exchange between 40,000 and 65,000 shares of its common stock for some 1,000,000 shares of new common stock in Northeastern.

Carpenter Steel closed last Friday on the New York Stock exchange at 3 1/4 and if 65,000 shares were exchanged for the new Northeastern shares, they would have a value of about \$4.8 million. But Northeastern general creditors hold claims totaling \$9 million, so there would be nothing left over for the stockholders, according to the plan written by two Northeastern trustees. Options and warrants issued by Northeastern for the purchase of 275,750 shares of old common stock would be worthless.

The S. E. C. is to file an advisory report on the plan by August 27. The S. E. C. must approve the reorganization proposal.

Findings of the S. E. C. will be discussed in District Court here September 3.

Judge Anderson's ruling ended five days of testimony on the plan. Debenture holders with \$7,000,000 invested in the company and general creditors with \$9,000,000 in claims opposed the plan. Under it, they will get only part of their investments back.

Richard Joyce Smith, Northeastern trustee, said: "If the court approves the plan, we will have it submitted to a vote of the affected creditors late in September." He said he hopes the company will be turned over to Carpenter

Steel by October 1. Northeastern, which is bankrupt, says it is losing \$200,000 a month, and has lost more than \$4,600,000 since it began operations in December, 1954.

Mr. Smith has said he might cut the work week of the 850 employees to save money. They return from vacation on Monday.

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International Railways Puts Damage Due It At About \$5,519,000

But President Says Appeals by United Fruit May Delay Final Decision Two or More Years

By WALL STREET JOURNAL Staff Reporter
JERSEY CITY—Damages due International Railways of Central America from United Fruit Co., under the recent decision of Referee Ernest E. L. Hammer in New York Supreme Court, are calculated by International at approximately \$5,519,000 through June 30 this year.

The suit, brought by minority stockholders of International in 1949, concerned charges by International to United-Fruit for transportation in Guatemala of bananas and imports. The referee ruled that the fruit company must pay as damages the difference between fair and reasonable rates as determined by the referee for the years 1946 through 1956 and the rates actually paid by United Fruit.

In a letter to stockholders of International, Thomas Bradshaw, president, stated that tentative calculations by International are approximately \$5,588,000 in damages through 1955 and \$940,000 in interest at 4% to June 30, 1957, or a total of about \$4,528,000. The calculation on import damages was based on the slightly higher of two possible methods, depending on an interpretation of the referee's decision.

Under the decision, rates to United Fruit for transportation of Tiquisate (west coast of Guatemala) bananas and of imports must increase in the years after 1955 "until the rates equal those fixed for the general public (or so-called independent) shippers." International's tentative calculations are that a further \$991,000 will be payable by the fruit company as damages and interest through June 30 this year, bringing the total estimated amount to \$5,519,000.

Mr. Bradshaw said International is advised that expenses of the plaintiffs, including fees to counsel for plaintiffs as allowed by the court, are payable out of any damages awarded International. It is also probable, he stated, that damages awarded will be subject to income taxes.

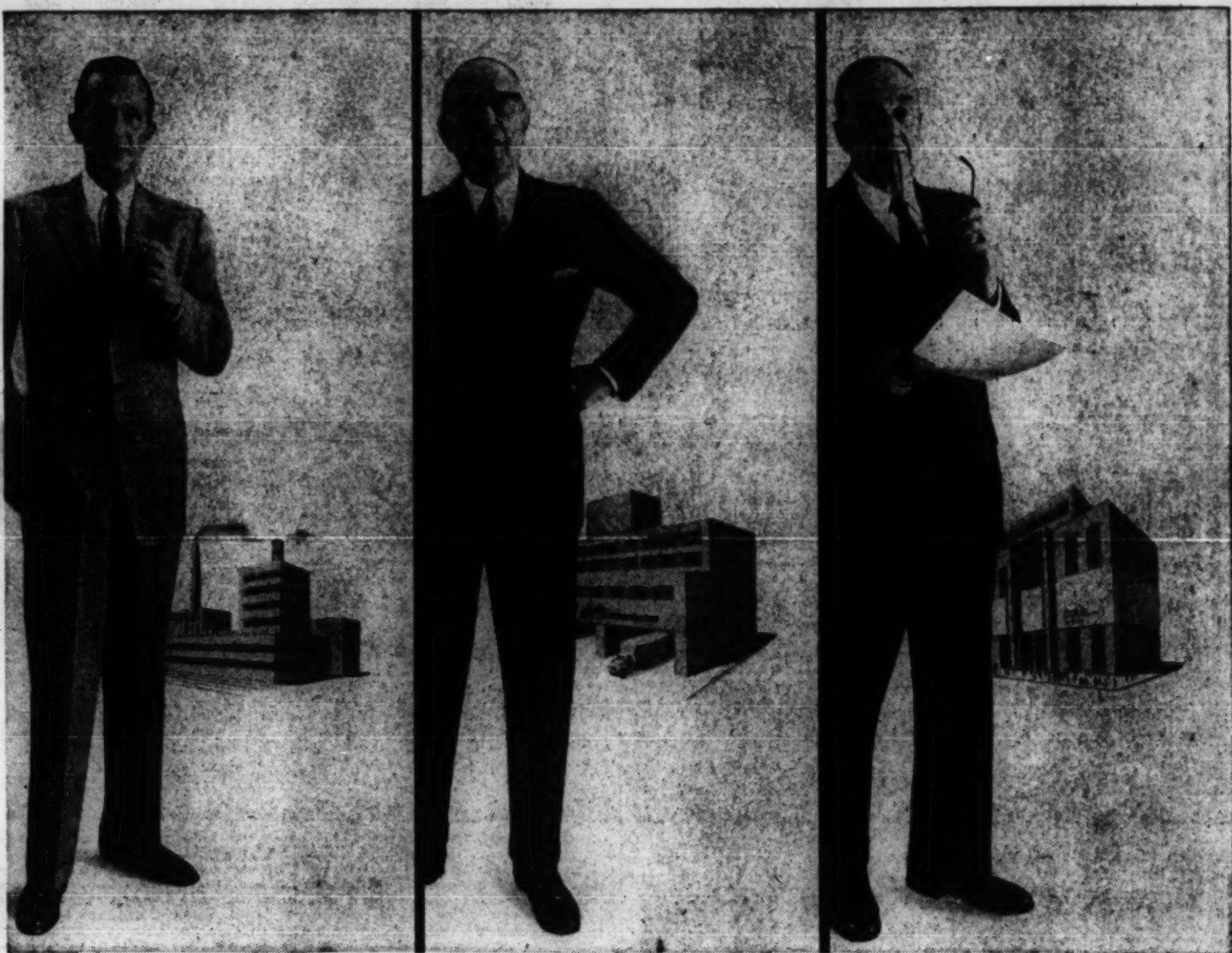
It was noted by Mr. Bradshaw that the decision is not final. United Fruit has indicated it will appeal the decision to the appellate division of the New York Supreme Court, and should that division uphold the referee's finding a further appeal could be taken to the Court of Appeals of New York. If an appeal or appeals are taken by United Fruit, Mr. Bradshaw said, International is advised it may be two years or more before the final decision is known.

International has outstanding 100,000 shares of \$5 preferred stock, on which dividend arrears beyond current payments amounted to \$44.75 a share at the close of last year, and 500,000 shares of common stock. Of the common, United Fruit holds 258,100 shares, representing 42.68% of the voting securities. According to the referee's decision United Fruit exercised domination and control over International.

Bendix Gets Deetra Rights

NEW YORK—Bendix Aviation Corp.'s Pacific division has obtained United States and Canadian rights to the Deetra long-range air navigation system, both in manufacture and sales, from Decca Navigator System, Inc. Bendix also holds rights to the similar but shorter-range navigation system called Decca, serving Europe and also being set up in the Maritime provinces of Canada.

The new Deetra system, designed to reduce the squeeze on transatlantic air lanes, is currently in operation on routes between Newfoundland and Scotland. Planes flying the Atlantic will use both airborne units, with combined weight of 97 pounds.



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